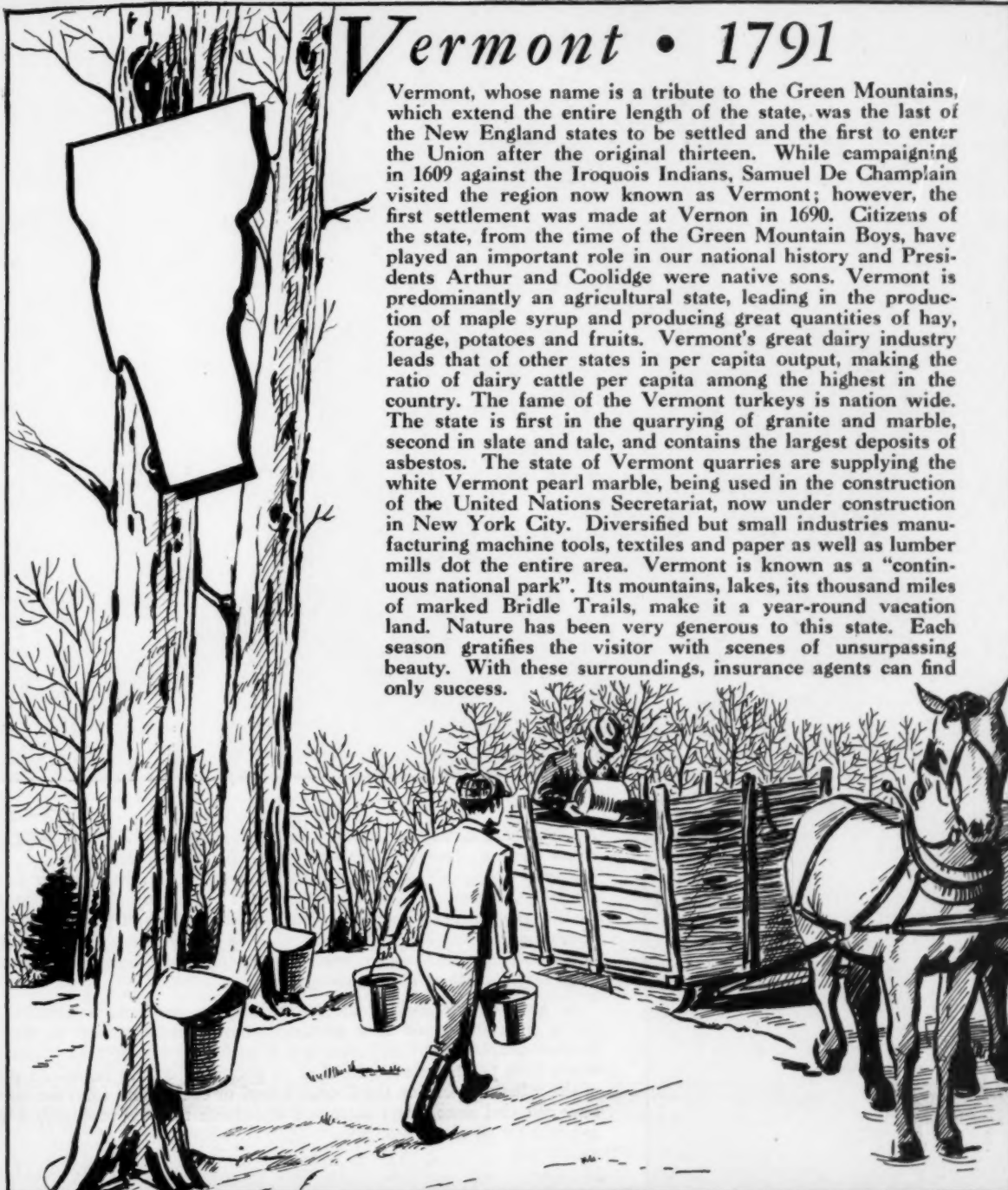


The NATIONAL UNDERWRITER



Vermont • 1791

Vermont, whose name is a tribute to the Green Mountains, which extend the entire length of the state, was the last of the New England states to be settled and the first to enter the Union after the original thirteen. While campaigning in 1609 against the Iroquois Indians, Samuel De Champlain visited the region now known as Vermont; however, the first settlement was made at Vernon in 1690. Citizens of the state, from the time of the Green Mountain Boys, have played an important role in our national history and Presidents Arthur and Coolidge were native sons. Vermont is predominantly an agricultural state, leading in the production of maple syrup and producing great quantities of hay, forage, potatoes and fruits. Vermont's great dairy industry leads that of other states in per capita output, making the ratio of dairy cattle per capita among the highest in the country. The fame of the Vermont turkeys is nation wide. The state is first in the quarrying of granite and marble, second in slate and talc, and contains the largest deposits of asbestos. The state of Vermont quarries are supplying the white Vermont pearl marble, being used in the construction of the United Nations Secretariat, now under construction in New York City. Diversified but small industries manufacturing machine tools, textiles and paper as well as lumber mills dot the entire area. Vermont is known as a "continuous national park". Its mountains, lakes, its thousand miles of marked Bridle Trails, make it a year-round vacation land. Nature has been very generous to this state. Each season gratifies the visitor with scenes of unsurpassing beauty. With these surroundings, insurance agents can find only success.



CRUM & FORSTER
MANAGER



110 WILLIAM STREET • NEW YORK 7, NEW YORK

UNITED STATES FIRE INSURANCE CO.	Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
THE NORTH RIVER INSURANCE CO.	Organized 1822	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh . Organized 1868

WESTERN DEPT. FREEPORT, ILL. PACIFIC DEPT. SAN FRANCISCO SOUTHERN DEPT. ATLANTA ALLEGHENY DEPT. PITTSBURGH CAROLINAS DEPT. DURHAM, N. C.

THURSDAY, NOVEMBER 24, 1949



Elliot L. Haas
Ætna-izer
Atlanta, Georgia

A grandson of Aaron Haas, founder (in 1891) of Haas and Dodd, Ætna General Agency in Atlanta, Elliot Haas graduated from Williams College, Williamstown, Mass., in 1933 . . . immediately joined his father, Edwin R. Haas, in the agency . . . shortly thereafter became the first man from that agency to attend the Ætna's Home Office Casualty and Surety Sales Course. A transportation officer in the Army for five years during World War II, Elliot today is one of the agency's most successful producers. Regarding the Ætna's Sales Course, he says:

"The Sales Course enabled me immediately to undertake responsibilities which otherwise would have required years of training and experience. Furthermore, I brought back many new ideas for the development of business which have put thousands of dollars in premiums on our books. As proof of the value we place on the Course, a total of twelve men from the agency have attended since I was there and attendance today is practically a prerequisite for all of our producers."

Elliot L. Haas

ÆTNA CASUALTY AND SURETY COMPANY



AFFILIATED COMPANIES: ÆTNA LIFE INSURANCE COMPANY
AUTOMOBILE INSURANCE COMPANY STANDARD FIRE INSURANCE COMPANY
HARTFORD 13, CONNECTICUT



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Charge Discount Plan Discriminates vs. "Little Fellow"

Four Groups Open
Fire at N. Y.
Department Hearing

NEW YORK—America Fore, Hartford Fire group, Automobile-Standard, and the Loyalty group, which appealed from New York insurance department approval of the New York Fire Insurance Rating Organization's discount plan for writing multiple location risks, opened a hearing this week at the New York department with a presentation that promises to take several days. The argument by Carl E. Newton reflected an extremely thorough presentation and was illuminated by large charts. A. J. Bohlinger, deputy superintendent, is conducting the hearing.

The four groups that have appealed marshalled a number of arguments against the discount plan. The controversy, Mr. Newton declared, has grave national implications both to insurance and the general economy.

Discriminates vs. Small Merchant

It discriminates against the small independent merchant with one location. It introduces a factor entirely new to the fire business, the individual account loss experience factor, which is revolutionary. This is a casualty principle, alien to the fire business where heretofore class, not individual account experience, has been the basis of rating. The analogy to casualty is entirely false, he declared.

Mr. Newton questioned the durability of the protective tent of public law 15 over insurance. Suppose it were snatched away or its protection reduced, the Clayton and Robinson-Patman acts might be applicable, and under the discount plan insurer would violate the provisions of these two acts and subject itself to criminal action and penalties.

He pointed out that in October, 1948, the New York Fire Insurance Rating Organization filed a multiple location risk plan with the New York department based on the weighted average of state tariffs. This plan was unanimously approved by the members of the N.Y.F.I.R.O. but was turned down by the insurance department. Then in August, 1949, the so-called Escott plan was filed, which provides discounts for chain store buyers. This was voted by a 57 to 43 division among N.Y.F.I.R.O. members. This splitting of companies into two camps Mr. Newton by implication laid at Superintendent Dineen's door because of his consistent advocacy of a discount plan for large buyers.

This "unfair discrimination" in favor of the big buyer is, he said, a continuation of preferential discounts (which the Oct. 28, 1948, plan eliminated), in violation of the express promises made by the insurance industry to Congress, specifically in connection with interstate business.

There are two characteristics of the discount plan, both of which are illegal, Mr. Newton said. The plan provides discounts to buyers with five or more locations and not for those with four or fewer, and it gives them a preferential treatment based on in-

Leggett Named as Mo. Superintendent

JEFFERSON CITY, MO.—C. Lawrence Leggett of Bowling Green, 54, who has been an examiner in the Missouri department for about 10 years, has been named superintendent of insurance to succeed Owen G. Jackson, whose four-year term had expired. The appointment is subject to confirmation by the Missouri senate.

Under a new law the term of the superintendent is changed so as to conform with that of the governor and the salary increased from \$6,000 to \$7,000. Thus Superintendent Leggett's term of office under this appointment will expire in January, 1953.

Mr. Leggett worked under Governor Smith in the state auditor's office 1933-1937, when the present governor was state auditor. He then joined the insurance department as an examiner and continued in that capacity until 1944 when he resigned to become auditor for a Kansas City insurer. A year or so later he returned to the department and has been on its staff of examiners ever since.

Superintendent Leggett is the first man ever selected for that position directly from the working personnel of the insurance department. He is essentially a "career man." Joining the department in 1937, he has served under five superintendents.

His confirmation by the senate is expected without opposition.

dividual loss record. The discount scale goes up with the number of locations. The plan admittedly favors blue chip businesses and industries. Mr. Newton called it "the chain store plan." At this point Mr. Bohlinger interjected to say that it didn't make any difference what names Mr. Newton called it, it was the filing of Aug. 31, 1949, and that filing is the basis of the hearing.

SPREAD OF RISK

The criterion of the discount is not the amount of insurance bought in one sale or in one policy, not the amount of the premium, but the number of locations covered in one sale, Mr. Newton said. Proponents of the discount plan say it provides a spread of risk, but there is no requirement as to actual spread of risk. A large New York store with suburban units may have only a fraction of a per cent of its stock located in the suburban branches yet is entitled to a discount because of the number of locations.

Mr. Newton introduced a chart, entitled "which twin can get it?" showing two clothing stores, located side by side in White Plains, for which the N.Y.F.I.R.O. publishes the same 76 cents tariff rate. One store can get up to a 35% discount under the Aug. 31 plan because it is a unit in a chain, but—and this is one of the inherent vices of the plan, he said—the other, the single, independent store, must pay up to 54% more than his chain competitor.

No Management Control of Fire

He strongly questioned whether a branch manager of a chain store unit is any more effective in loss prevention than a local competitor. He showed on a chart that two stores located in the same building in Scarsdale, one a chain unit and the other a local merchant, occupy a multiple dwelling building. If a fire starts in one of the dwelling units and spreads, neither the

(CONTINUED ON PAGE 10)

Am. Fore Units to Add \$5 Million to Capital

The stock dividend news that had been extensively anticipated from the America Fore organization has now eventuated. Chairman B. M. Culver announces that the directors propose to declare a 25% stock dividend for Continental to bring the capital of that company to \$25 million and a 33-1/3% stock dividend for Fidelity-Phenix, increasing its capital to \$20 million.

This requires the authorization of stockholders and approval of the New York superintendent and hence the propositions will be voted on by the stockholders at the regular annual meetings to be held Feb. 15. The plan is to distribute the stock dividend on or about March 20.

Capital of Continental has been \$20 million since 1945 and the capital of Fidelity-Phenix has been \$15 million since that time.

These are the only two insurance companies whose shares are listed on the New York Stock Exchange and they responded briskly to the stock dividend news even though the quotations previously had discounted such a split. Continental closed last Saturday at 72, up 5 from the low of the week, and to set a new high for the year. The low for 1949 was 56 3/4.

Fidelity-Phenix closed at 77 1/2, and sold as high as 78, which was the high for the year. The low was 63 1/4.

Pa. Launches Auto Rate Probe

HARRISBURG—The Pennsylvania department has opened an investigation into the rates on auto fire, theft and collision, Commissioner Malone announced.

Applications from a number of companies for rate changes in this field set off the probe, he said. A recent study of general fire rates in the state resulted in a downward revision of those rates.

"We weren't certain that the increases were justified, and we weren't sure that the decreases were enough. So we started our own investigation to find out what the new rates ought to be," Mr. Malone said of the auto rates.

Loading Clause Discussed

Wichita Casualty & Surety Assn. heard a discussion of the "Loading and Unloading Clause Under Automobile Policies," led by J. W. Vest, Hartford Accident. At the next meeting "Subrogation Rights Under Compensation Policies" will be discussed.

To Stiffen License Exams

Commissioner Taylor of Oregon has announced a more intensive program for improvement of licensing procedure, including plans to make the examinations more rigid. A new set of questions is being prepared with the cooperation of Oregon Assn. of Insurance Agents and other interested groups. As educational facilities are developed in Oregon, the examination questions will be made even more stringent.

Increase Policy Dividend

The policyholder dividend rate on fire and allied lines, except automobile and inland marine, is being increased from 15% to 20% by Norfolk & Dedham Mutual Fire of Dedham, Mass., effective Feb. 1. There is no change in auto and inland marine dividends.

Ark. Disapproves Mandatory Wind Deductible Filing

Graves Wants Issue
Treated with Fire Rates
Next Year

LITTLE ROCK — Commissioner Graves in a written notice to Arkansas Inspection & Rating Bureau refused to approve, at least, at the present time, a filing for a mandatory \$50 deductible loss clause to be inserted in present extended coverage and windstorm and hail endorsements and with no change in present E.C. and windstorm rates. The filing was made by the rating organization Nov. 7. Under the Arkansas fire rating law, filings made become effective after 15 days unless disapproved by the commissioner within that period or during an extension thereof.

In his written notice Mr. Graves stated:

"While the arguments advanced for the deductible coverage have merit, the real issue at stake is whether or not a rate increase is justified; and if so, should it be applied in this manner rather than continuing the full coverage endorsement at increased rates.

Rate Adjustment Question

"Since it is a question of rate adjustment, and the coverages involved are a part or extension of the fire policy, I feel that it is proper to postpone consideration of this question until the fire rates come up for review next year.

"If you wish to reopen the matter at that time, I shall be glad to give it further consideration. In the meantime, the department and the interested companies will have an opportunity to make further study and we should be in a better position to arrive at a fair conclusion on this question."

In submitting its filing, the Arkansas bureau presented figures showing that earned E.C. and windstorm premiums for a 12-year period were \$15,663,992 with incurred losses of \$8,934,276, producing a loss ratio of 57. Adding loss adjustment expense brings the over-all loss percentage figure to 63.8 for the 12-year period. The figures submitted to the commissioner also showed that the worst loss experience has come in the two most recent years, 1947 and 1948, with ratios of losses incurred to earned premiums of 72.3 and 109, respectively.

"Relief is needed by the companies if they are to continue writing this class of business with the hope of making a reasonable profit," the bureau stated. "From a practical standpoint only two sources of relief appear to be available. Either a substantial increase in rates is needed or a modification or change in the form by incorporating a deductible is necessary. The companies chose the latter course because it is in the public interest, because it is more acceptable to companies, and because it has proven to be a practical solution in other states.

"The desire of the companies to follow a proven practical solution by placing the coverage on a sound underwriting basis, eliminating small nuisance claims with their consequent high adjustment costs, prompted the companies to file a mandatory \$50 deductible clause to apply on windstorm and hail losses."

FERTILE FIELD

Salability of U.&O. Is Expounded by H. T. Lewis

BALTIMORE—H. T. Lewis, underwriting manager of Royal-Liverpool is a skillful salesman of business interruption cover, and his comments on the subject before the convention of Maryland Assn. of Insurance Agents here were stimulating.

He emphasized the "double action" character of the gross earnings form. Under the 2-item forms, coverage of ordinary or dispensable payroll is optional; under gross earnings all payrolls must be insured. As an offset to the latter's inclusion of all payroll as little as 50% coinsurance may be used; the 2-item forms require a minimum of 80%.

Good for All Merchants

The gross earnings or mercantile form was designed to capture the interest of smaller merchants, and has been successful in doing so, but it is just as successful with large merchants.

He cited the example of the New York broker who has placed it on chain department store properties, using 50% coinsurance. To illustrate, assume the merchant presently is insured under item 1 of the 2-item contribution form. He carries \$50,000 of cover, which complies with the mandatory 80% contribution clause. He carries no insurance under item 2, ordinary payroll.

Most fires are partial, involving only brief interruption of business, maybe two or three weeks. The merchant, in case of loss resulting in a shutdown of this duration, faces the choice of paying "ordinary" wages from his own pocket or letting employees go, hoping he can get them back when business is resumed.

All Payroll Included

But suppose the agent has sold him the gross earnings form with 50% contribution, in the same amount of \$50,000. This form insures all payroll when the "average" loss occurs, insured retains his entire staff.

What if the shutdown is 10 months or longer? The 50% of annual gross earnings will protect his actual loss of earnings for 10 months, almost invariably. This is because he would, faced with a 10 month shutdown, disperse with ordinary payroll employees. That part of the insurance would be available to help cover actual profits—expenses loss. No part of the gross earnings form is specifically allocated to ordinary payroll.

Characteristics of Complete Package

He strongly urged sale of a complete U. & O. package. Among items the agent should consider in selling the coverage are:

1. Extended coverage. It is as important as having it on the fire policy.
2. Vandalism and malicious mischief. Not all insured have special need for this. The manufacturer with specially valuable machinery does.
3. The off premises power endorsement which is little known and seldom used. It is important to any insured that gets power from off the premises.

Endorsement May Clinch Sale

Often use of these endorsements provide the clincher for the U. & O. sale. Recently a plant manager said that fire, wind and explosion could cause a shutdown but hadn't. Failure of power, supplied from off premises, had caused a shutdown. No. 3 sold the business.

4. Agreed amount endorsement for fireproof and sprinklered risks. This should be used where possible because one of the U. & O. is the possible failure to get and keep insurance up to the coinsurance requirement. This endorsement waives coinsurance.

5. Extension of stock and raw stock or stock in process clauses.

6. Term. Insured is as much entitled to the term saving as he is on property insurance. Mr. Lewis warned, however, that agents must watch fluctuations on term. The agent can't let U. & O. coverage sleep. Earnings fluctuate much more widely than property values.

Don't overlook the manufacturer's exposure loss of profits on finished stock, he advised. If the sole supplier burns, loss to insured can be just as real as if he had a fire on his own premises.

He urged use of a calculator or work-sheet.

Extra expense, which defrays above normal expenses necessary to continuance of operations, started out as newspaper plant cover but has been extended to power plants, dairies, laundries, bakeries, banks, homes for aged, etc. He cautioned agents about selling it. Other facilities may be available today but the important thing to know is if they will be available six or 10 months from now.

Sell It as Catastrophe Cover

U. & O. should be sold as a catastrophe cover, for the 10-12 month shutdown. The prospect doesn't fear a two to three week shutdown.

To show its importance he cited the midwest hotel that suffered a \$600,000 property loss and a \$1,600,000 U. & O. loss and the eastern factory where the physical damage was \$10,000—in a key department—and U. & O. \$200,000.

There are hidden benefits in U. & O. coverage. Insurer and insured have a mutual interest in the latter restoring production. Insurer can help through its nationwide facilities, particularly adjusters.

Some Unusual Prospects

There is no more fertile field than U. & O. for new sales, he said. Among prospects are doctors and dentists. One agent has sold half a dozen such policies. The premium is small but he writes for three years and adds I. C. Builders risks occasionally are prospects; for example, the department store that is building an additional store, has its opening set when fire forces a 3-month shutdown with loss of earnings. This is really delay insurance.

Several questions were asked, one about the possibility that the gross earnings form will not be permitted for service risks in Maryland. It was withdrawn from such use in most of the other Eastern Underwriters Assn. states, though still used, in revised form, in the midwest. Previously agents had used the agreed amount form for such risks, but this form is no longer available.

Another question dealt with the premium adjustment form, which proved almost wholly unsalable. Mr. Lewis indicated that a revision of this is being adopted in some eastern states. The revised form is an improvement. There is, for instance, no 100% coinsurance requirement.

Town Business Divided

The board of selectmen of Holyoke, Mass., has adopted a plan for pooling all lines of insurance written for any town department except compensation, auto liability and group fire and police department accident policies. The agent, to share in the commissions, must have been licensed for at least two years, maintain an established office, and have one full-time employee. There are five participating agents at the outset.

Moore Now Consultant

George D. Moore has completed his study of agency expenses for National Assn. of Insurance Agents in the capacity of actuary and he is now leaving to engage in consulting work.

Oct. Fire Losses Hit Low for 1949

Fire losses in the United States fell to a low for the year in October, totaling \$48,914,000, a decline of 1.5% below the total for September, and 5.7% below October, 1948, according to estimates of the National Board.

October losses were a reversal of the usual seasonal trend, since the monthly totals usually rise during fall and winter months. The board noted that Fire Prevention Week was widely observed in thousands of communities during October.

Estimated losses for the first 10 months of 1949 were \$547,141,000, a decline of 7% below the total for the same months of 1948. Losses for the 12 months ending Oct. 31 are estimated at \$669,487,000. This is a decrease of 5.5% from losses of \$708,475,000 for the 12 months ending Oct. 31, 1948.

By months for 1949 and the two preceding years, losses were:

	1949	1948	1947
Jan. ...	57,826,000	63,010,000	57,180,000
Feb. ...	62,424,000	72,521,000	64,247,000
Mar. ...	67,218,000	74,236,000	72,435,000
Apr. ...	55,290,000	63,751,000	68,029,000
May ...	54,162,000	59,256,000	56,545,000
June ...	51,787,000	43,706,000	50,840,000
July ...	49,592,000	50,955,000	49,357,000
Aug. ...	50,150,000	49,843,000	51,359,000
Sept. ...	49,678,000	49,945,000	47,990,000
Oct. ...	48,914,000	51,845,000	54,946,000
	547,141,000	589,768,000	572,928,000

Fire Association Merger Ratified

The proposition to merge Lumbermen's, Reliance and Philadelphia National into Fire Association, effective Jan. 1, 1950, was approved by stockholders of the four companies at special meetings. Also a proposal to increase the capital of Fire Association to \$3,400,000 and to amend the charter to provide for writing both fire and casualty was approved. The total vote cast in each of the four companies amounted to 80% of the outstanding shares and it was overwhelmingly in favor of the merger proposal.

When the merger is complete, Fire Association group will consist of two companies. Fire Association will have capital of \$3,600,000 and a new company, known as Reliance, will be set up with capital of \$2 million. This will be a wholly owned subsidiary. The old Reliance had about 30% outside ownership. Its official title was "The Reliance Insurance Co.," whereas the new company will be "Reliance Ins. Co."

Commons Tex. Special Agent of Corroon & Reynolds

Corroon & Reynolds has appointed C. E. Commons special agent of American Equitable in Texas, with headquarters in the Neil P. Anderson building, Fort Worth. His experience has been in local agency and field work, particularly in underwriting hail insurance on growing crops and adjusting hail losses.

Mr. Commons will also supervise New York Fire in the eastern part of the state. The T. W. Scales & Co., general agency at El Paso will continue to represent New York Fire in west Texas and New Mexico and will supervise the business in that territory.

The companies will write hail on growing crops, fire, automobiles and inland marine insurance.

Oswego, N. Y., Inspected

The Syracuse division of the Fire Prevention Assn. of New York State completed a two-day town inspection of Oswego.

The 67 field men participating inspected 621 buildings, of which 497 or 80% were criticized. Electrical wiring, rubbish and housekeeping were the most predominant hazards.

Correct Inequity on Foreign Tax Refund Interest

An inequity in the Treasury handling of interest on the foreign tax refunds, which is of interest to insurers doing business outside the U. S., has been corrected in the new technical changes act of 1949.

In recent years some insurers doing business in foreign countries, especially Canada, were assessed for interest when they obtained foreign tax refunds which were claimed as credits against the tax owed the U. S. under section 131 of the internal revenue code. This provided that if a foreign tax paid later was refunded in whole or part the U. S. taxpayer had to notify the commissioner of internal revenue forthwith. The commissioner then redetermined the amount of the U. S. tax for the year affected. If there were a U. S. tax deficiency resulting from this redetermination, the tax had to be paid on notice by the collector. However, the collector heretofore assessed interest on a deficiency that developed in this way, although none of the foreign governments paid such interest on tax refunds.

Amendments Retroactive

The amendments in the technical changes act are retroactive to years beginning after Dec. 31, 1938, so that refunds may be obtained despite any other provisions of the law, if claims are filed within three years from the time the return was filed, or within two years from the time the tax was paid, or within one year from the date of the enactment of the new law, whichever is later.

Under the former law there was little or no incentive for a taxpayer, including insurers, to go after the refund because then it had to refigure the credit on the tax for the year concerned and add the interest of 6% which it did not get or did not get to that extent from the foreign government.

The Treasury Department has in effect been collecting interest on tax deficiencies, even though subsequently carried back losses wiped out such deficiencies. The circuit court has now held that the government cannot do this, in the case of Manning vs. Seeley Tube & Box Co. The case has been argued before the Supreme Court and is there awaiting decision at present.

The circuit court held that Seeley against whom a deficiency was assessed in 1941 was not liable for the interest on that deficiency where the carry back of a net operating loss for 1943 wiped out the asserted deficiency and entitled the taxpayer to a refund. The method of "collecting" the interest has been to deduct it from the refund to the taxpayer.

Insurers and others in the business who have paid in this way interest on a deficiency that subsequently was wiped out by carry back should put in a claim and get it on the record. Otherwise, if the Supreme Court upholds the circuit in this case, they may not get a refund of the interest even though entitled to it.

Honor Phypers at Cleveland

George W. Phypers, president of the Insurance Board of Cleveland in 1947 and 1948, was presented a framed testimonial of appreciation of his services at a meeting of the board.

Fred L. Gray Safe Cracked

Yeggmen cracked the safe in the Fred L. Gray Co. office at Minneapolis and got away with \$1,000. They probably figured the loss was well covered by insurance.

Benjamin Goodman of Mansfield, Pa. was elected president of **Toga-Potter Assn. of Insurance Agents**. Vice-president is Lewis Albee, Galeton; secretary, Miss Helen Blair, Wellsboro.

Way Why No C

Reasonance Bureau office were L. Wa at the Mariners' group bro 80 comp attending bration c in the w taining a ritory w two-hour cited the I.M.I.B. without i Mr. W to answe men had branch and the stray far pointed o of the b inland m ducted c strength no bran would a home off Better Western rating jew customer; be submi for rating be avoid perform Says Cen

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Wayne Explains Why I.M.I.B. Has No Chicago Office

Reasons why Inland Marine Insurance Bureau has no midwestern branch office were explained in detail by Harold L. Wayne, bureau general manager, at the November meeting of the Mariners, Chicago marine organization, Mr. Wayne's appearance before this group brought out a crowd of more than 80 company men who had to forego attending the 100th anniversary celebration of the Chicago Board. Interest in the western department men in obtaining an I.M.I.B. office for their territory was clearly brought out in the two-hour question period as they recited the need for closer contact with I.M.I.B. and the problems that arise without it.

Mr. Wayne's remarks were confined to answering questions that the marine men had been saving for his visit. The branch office problem predominated, and the subject never was allowed to stray far from that point. Mr. Wayne pointed out that the member companies of the bureau have concluded that the inland marine business must be conducted on a nationwide basis. The strength of I.M.I.B. lies in its having no branch offices. What, he asked, would a western office offer that the home office is not already offering?

Better and faster service, he was told. Western underwriters have trouble in rating jewelers block policies and furriers customers policies. That business must be submitted to New York individually for rating and the ensuing delay might be avoided if a Chicago office could perform that service.

Says Central Office More Efficient

A central office can rate better and more efficiently, Mr. Wayne replied. The companies are endeavoring to maintain those classes on a nationwide rating schedule, and therefore territorial offices could only cause confusion. If a Chicago office were established, he added, there would be an immediate demand from many of the state insurance departments that similar offices be set up for local business. The business would face a demand for intrastate rating instead of interstate rating.

How about bridges? Mr. Wayne was asked. There are more bridges in the midwest than any other territory. Must every bridge risk be sent to New York for rating?

The greatest bridge values are in New York City and in California, Mr. Wayne observed. This is another case where a central office can give better service and at the same time actually be in a central location, that is, at the site of the greatest risk.

Jewelers Block, Furriers Policies

Could not I.M.I.B. have a Chicago office for rating only of jewelers block and furriers policies? They are only minor items in the inland marine business.

Again, this would jeopardize the nationwide setup, Mr. Wayne declared. Losses under the jewelers policies are not confined to the territory in which they are written. I.M.I.B. has a corps of investigators in Florida attempting to put a stop to jewelry losses there. Further, he observed, the company western departments have a wide divergence in the states they embrace. Rating could not be performed uniformly for all states for all companies.

Some resentment was shown over the Pacific Coast office of I.M.I.B. The Chicago men feel they are entitled to the same consideration. Mr. Wayne explained that the Coast office does not make rates and acts only in an advisory capacity. There is only one salaried employee and he is not full time.

Asked to comment on regulation 30, Mr. Wayne noted that the recent "fiasco" in jewelry rates pointed up sharply the necessity for a uniform

Haefner to H. O. of Fireman's Fund

Leslie J. Haefner, vice-president and marine secretary of the fire companies of Fireman's Fund group, on Jan. 1



L. J. Haefner

will be transferred from the Atlantic marine department in New York to San Francisco where he will share in the direction of countrywide underwriting and development activities.

Louis W. Niggeman has been appointed manager of the Atlantic marine department to succeed Mr. Haefner. Mr. Haefner joined Fireman's Fund in San Francisco in 1906. He was elected assistant marine secretary in 1929 and advanced to marine secretary in 1940. In 1942 he was granted temporary leave of absence to assume executive duties with the War Shipping Administration in Washington, and shortly afterward he resigned from Fireman's Fund to become director of wartime insurance. In 1945 he rejoined the company and was elected vice-president and appointed manager of the Atlantic marine department.

Mr. Niggeman joined Fireman's Fund in 1946 as assistant manager of the Atlantic marine department. From 1942 to 1946 he was with the insurance division of the War Shipping Administration as chief underwriter, assistant director and director of wartime insurance.

Henry E. Reed, Henry F. Clark, Jr., and Edward V. Silver, Jr., will continue as assistant managers in the Atlantic marine department.

To Revamp Insurance

SUPERIOR, WIS. — The Douglas county board of supervisors has approved a motion authorizing Superior Assn. of Insurance Agents to make a survey of the county insurance. No appraisal has been made of county owned buildings for 10 years and a revaluation survey will be made to determine whether present coverages are adequate. The present policy plan will also be surveyed to determine if it needs any changes for efficiency and economy. Agents have recommended an 80% co-insurance plan.

New N. C. Board Members

RALEIGH, N. C. — Harry G. Lattimore, Wilmington local agent, and Fred Cochrane of Charlotte, representing the public, have been appointed to the North Carolina state advisory board by Governor Scott. W. H. Andrews, Jefferson Standard Life, Greensboro, was reappointed. Mr. Lattimore succeeds George F. Jones of Charlotte.

Four New Assn. Members

Acceptance of four new member companies in Assn. of Casualty & Surety Companies brings membership of the organization to a new high of 70.

The new members are: Boston and the affiliated Old Colony; Newark Fire, and Pacific of Honolulu.

statistical basis for rate making. Regulation 30 offers a starting point for maintaining figures and devising rates on a reasonably accurate basis.

What determines bureau control of classes? Feasibility and practicability, Mr. Wayne answered. Many states want all inland lines controlled, and the business is facing a showdown between theory and practicability on this score.

Roy Urbauer, Home, president of the Mariners, presided, and Mr. Wayne was introduced by F. J. Shields, National Union.

HOW MUCH COVER?

Present High Replacement Cost Level to Continue

BALTIMORE—Because of the high plateau reached by construction and equipment costs the property owner today has a greater need than ever for detailed, provable records of property and its current value to make sure he is properly insured, Paul Whittington, contract manager of American Appraisal Co. here, told the Maryland Assn. of Insurance Agents. Mr. Whittington reviewed the general problem and then with Paul E. Keedy of Turner & Thomas, and F. Addison Fowler of Leonhart & Co., both of Baltimore, answered specific replacement cost problems and questions.

Present building price levels will continue, Mr. Whittington predicted. Warning that it is hazardous to use price indexes to determine the value of a particular property, Mr. Whittington said they do reflect the general range of price fluctuation. In 22 typical U. S. cities on industrial buildings analyzed by American Appraisal Co., this fluctuation varied as follows: 1913, \$100,000; 1926, \$217,000; 1933, \$150,000; 1946, \$352,000; and today, about \$485,000. This is construction only excluding fixtures, plumbing, heating, light, air conditioning, refrigeration, sprinklers, and elevators. The index covers frame, brick, mill, concrete and steel frame construction.

Level Doesn't Go Back

The price index doesn't recede after a war to pre-war levels, indexes since 1852 show, he said. Present levels must be recognized in determining adequate insurance coverage.

There is no uniformity in appreciation over prior years even in limited classes, for example in electrical equipment, machine tools, building equipment, labor rates, labor efficiency, building materials, etc. In a printing plant the increased cost of reproducing several types of equipment ranged as follows from 1945 to 1949: Class 1, 49%; class 2, 40%; class 3, 74%, and class 4, 25%.

For buildings, experience emphasizes that many possible variations in design and construction make application of square and cubic foot units unreliable and hazardous in arriving at replacement value.

Insured tends to treat lightly obligations he assumes under his policy, Mr. Whittington said. He feels it is largely the responsibility of his insurance adviser. Yet the final responsibility still lies with the buyer—he must know the value of his property, which is dynamic, not static. He can't afford to belittle the obligation, for example, that he furnish a complete inventory, etc., if required; verified plans, etc. Otherwise, who will know if the adjustment is correct? Not insured, not adjuster. Fortunately, he said, insurers try to be fair.

Five Limits in Policy

There are five limits in the policy, Mr. Keedy pointed out, in answer to a question: 1. To the extent of the actual cash value of the property at the time of loss. 2. The amount of the policy itself. 3. The amount shall not exceed that required to replace the property at the time of loss. 4. Insurer's pro rata liability with other companies. 5. The limit imposed by the coinsurance clause.

What if insured can buy a similar building to that destroyed, and do so at a bargain; what is the basis of insurance settlement, Mr. Fowler asked. Or, suppose he has bought for \$4 million a building it would cost \$7 million to replace; he has insured it for \$7 million, and it is destroyed?

There is no cost value to someone who inherits property, Mr. Keedy

pointed out. In case of loss, insurer can't take advantage of the bargain or inheritance. Nothing in the contract permits reduction on settlement of loss of the property's inherent actual cash value. The settlement would be replacement value less depreciation. Conversely, if insured paid more than the actual cash value, insurer is not going to pay him his total cost.

What is the effect of obsolescence in figuring depreciation, particularly on buildings?

Figure the Two Separately

The only way to reach actual cash value for insurance purposes is to start with the reproduction cost, even if no one would replace the structure, then figure depreciation, excluding obsolescence. The obsolescence factors should be computed separately. Finally, these should be added to depreciation. The result would be applied to partial as well as total losses.

Can the true value of antiques be appraised?

Yes, Mr. Whittington replied. The antique market is pretty well organized, and it is not too difficult to arrive at a "normal" price.

One question frequently asked by producers is: Should the agent ever make a definite recommendation of the amount of insurance insured should carry on his property in order to meet the coinsurance requirements?

Practical Need to Recommend Amount

Theoretically, Mr. Keedy replied, he should not. Practically, he has to. He can, with experience, do a fair job, but he had better hedge. He can call on his company for help; insurer, too, must qualify the recommendation to the extent that making the recommendation does not in itself affect the application of coinsurance.

On a building 40 years old that is in excellent condition, what rate of depreciation should be used for insurance purposes?

Don't figure 40 times any percentage, such as 1% to 2%, etc., Mr. Whittington commented. Figure depreciation on the component parts of the building. Example: If a new roof was put on 20 years ago, it has depreciated so much; if the walls have not been pointed up, are cracked, etc., figure depreciation on them. Recognize the fine maintenance, if it is there. Then work out an average over-all. Any application of depreciation is always partly a matter of good judgment.

How can depreciation best be figured on houses 200 years old, with historical value?

Historical value can't be insured because it can't be replaced, Mr. Whittington said. He thinks insurer and insured would have to settle for an agreed amount of coverage.

Andrews to Neb. Hardware

Gene Andrews, Wichita, has been named Kansas state agent of Nebraska Hardware Mutual, succeeding the late Harry H. Remick. Mr. Andrews is well known in the Kansas field, having represented Minnesota Hardware Mutual a few years ago.

N.A.I.A. Executive Group Meets

National Assn. of Insurance Agents executive committee met at New York over the weekend and because it was the first meeting, spent most of the time getting oriented. Members were brought up to date on some of the current topics of prime interest, such as the premium installment plan, and the new committee chairman had a session.

Byrnes-McCaffrey Adds Four J. & H. Men at Chicago

Leslie H. Kerr, Howard F. Erzinger and Gerald Billings, of the Chicago office of Johnson & Higgins, have resigned to go with the Illinois corporation of Byrnes-McCaffrey, Inc., of Detroit, which is expanding its Chicago operations. Thomas L. Gilbert of Johnson & Higgins at Detroit has also joined Byrnes-McCaffrey at Chicago. Messrs. Kerr, Erzinger, Gilbert and Robert M. Prince will be managing partners in the Illinois corporation.

Mr. Kerr has been with Johnson & Higgins for 35 years, 30 years in Chicago where he has been a vice-president and director of the firm. His principal activity has been in the ocean and inland marine fields.

Mr. Gilbert has been vice-president and director of Johnson & Higgins at Detroit for four years in charge of the fire and casualty department. He was with Johnson & Higgins in Chicago prior to going to Detroit.

Mr. Erzinger has been with Johnson & Higgins for 30 years, for the past 15 years as a director. He was in charge of the fire and allied lines department in the Chicago office.

Mr. Prince has been in the business for 10 years in management and legal

work. As a Byrnes-McCaffrey vice-president he opened the Chicago office a year ago. He is a member of the bar in Michigan and Illinois.

Mr. Billings for 14 years has been in the marine department of Johnson & Higgins in Chicago. He will be in charge of the inland marine department of Byrnes-McCaffrey at Chicago, specializing in the warehouse and transportation fields.

The firm is moving into expanded quarters on the 20th floor of the Board of Trade building shortly.

Independents Cut Ohio Physical Damage Rates

COLUMBUS—The Ohio department has accepted filings reducing automobile physical damage rates to the tune of 15% for members of Ohio Bureau of Casualty Insurers and for American Automobile. This bureau embraces 29 independent companies. The reductions are effective Dec. 1.

Cleveland CPCU Luncheon

A meeting is scheduled for Dec. 7 at Cleveland to award C.P.U.C. designations to five Ohioans. J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, will be principal speaker, and all Cuyahoga County insurance groups are invited to be sponsors.

Chicago Transit \$77 Million Line Is Placed

Chicago Transit Authority has designated 11 different entities to provide a total of \$77 million of fire insurance coverage on its properties. The largest share amounting to \$29,500,000 goes to Rollins-Burdick-Hunter Co. agency.

Two years ago at the time the surface and elevated lines were consolidated at Chicago and the municipal ownership plan was instituted, Rollins-Burdick-Hunter was requested to recommend an insurance program and R.B.H. engaged in exhaustive studies and prepared a thorough going survey. This was done at no cost to CTA. In the interim, as former fire insurance coverage expired, R.B.H. has covered those exposures on binder, pending final decision of the CTA board.

The \$77 million is placed for a three-year term and the premium is \$360,000.

The factory mutuals get \$9,215,000 of coverage, this being on sprinklered risks such as car barns, shops, etc. Something of a surprise was the fact that Improved Risk Mutuals through James S. Kemper & Co. received \$3 million of the line.

Other Participants Named

A. J. Gallagher & Co. received \$16,410,000. Marsh & McLennan was awarded \$6 million, M. & M. having handled the insurance on the old Chicago Surface Lines and having brought its surveys up to date. Others receiving shares were A. J. Horan & Co., \$5 million; Joseph L. Gill & Co., and Ivo Buddeke & Co., each \$1½ million; John J. Coughlin agency, \$1,125,000, and Kells & MacDonald and Touhy & Sain, each \$1 million.

The resolution on the insurance was introduced by Philip W. Collins, who is chairman of the CTA board's insurance committee. He is also in the insurance business.

The daily newspapers at Chicago headlined this as a political distribution which was embarrassing to those agencies that had done a great deal of work on the line and have been dealing with this on a strictly business basis, and that do not have a political complexion. Some of those that received shares are definitely in the political world, but most observers felt that they were not unduly favored, considering that this is a line that cannot be divorced from political considerations.

The casualty coverages have not been finally placed.

Purchase of Michigan Insurer Is Blocked

LANSING—Attorney General Roth of Michigan has advised Commissioner Forbes that a cooperative assessment company lacks the right to invest in stock of another insurer.

The executive officer of a cooperative assessment concern writing conductors' indemnity had "sent out a circular letter which implied that a competitive company, also domiciled in Michigan, was insolvent" and had obtained "an assignment of a substantial block of stock in the competitive company . . . and now has demanded that this stock be transferred into the name of his corporation."

Mr. Forbes said the records did not indicate that the company whose stock was being acquired actually was insolvent but "the circumstances carry a strong implication that the stock in question is not being purchased for investment purposes." It was noted that the law permits investments by insurers of not to exceed one-tenth of its assets in the shares of "any solvent insurance company except the stock of life insurance companies." He asked if he would have the right to disapprove the

transaction because it did not appear to be an investment and the purchasing insurer "has expressed its belief that the corporation in question is not a solvent insurer" and whether he might have the right to forbid transfer of the stock to the name of the competitive insurer.

The attorney general noted that the quoted law relative to stock purchases referred only to a stock fire or casualty company and that another section permits mutual insurers to make similar investments. A cooperative assessment concern, however, has no such powers, the opinion states. "It is in nature a life company and must comply with the mortality reserve provisions of life companies." Nor is there any authority for cooperative assessment companies to invest in the stock of other insurers.

"The legislature," the opinion states, "intended to restrict the investment of insurance company funds in the stock of other insurers to fire and casualty companies. Life insurance company stock is to be divorced from that of other kinds of companies."

The commissioner is thus permitted to reject the purchase and prevent its shares from being transferred.

Ontario Assn. Advocates Compulsory Membership

TORONTO—The field organ of the Ontario Insurance Agents Assn. urges that a requirement be instituted in the province requiring each licensee as a fire and casualty agent to become a member of the Ontario association and that the association be in turn charged with the proper qualification and discipline of agents according to law.

The association says that the Canadian superintendents are becoming concerned with the number of agents who are delinquent in making premium returns to companies. A number of licensees were suspended and others revoked during the past year for such delinquency.

Independents File in Ore.

PORTLAND—Independent insurers have filed the National Automobile Underwriters Assn. manual in Oregon, effective Nov. 1.

For fire and theft comprehensive the independents have filed a 10% deviation from the manual, but this places them at the same rate level as the N.A.U.A. companies in view of the fact that the latter are at present operating on 10% deviation.

However, the independents have retained the classification of use rating plan with respect to collision. The non-conference companies are now about 10% below the N.A.U.A. for A-3 and B risks and 20% below the standard for A-1 and A-2. Previously, under the old manual, the independents were about 15% off on A-3 and B and 25% off on A-1 and A-2. In addition, the independents have retained the age group differential on collision, whereas the conference companies have no such differential.

McDowell Heads Ia. Mutuals

DES MOINES—A. O. McDowell, president of Poweshiek Mutual, Grinnell, was elected president of Iowa Assn. of Mutual Insurance Assns. He succeeds Lester T. Jones, president of Town Mutual Dwelling of Des Moines.

Carl P. Rutledge, president of Farmers Mutual Hail, Des Moines, was elected vice-president.

Discuss Educational Program

RACINE, WIS.—At a meeting of Racine Insurance Board, Sidney Nelson, local agent, discussed the educational program sponsored by Wisconsin Assn. of Insurance Agents. He related his personal experiences and benefits gained from the 1949 short course at University of Wisconsin. A nominating committee was named to prepare a slate of candidates for the December meeting.

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State Officials on Buyers' Card

**Harrington, Roy
McCullough Slated at
A.M.A. Chicago Meeting**

Among the specific questions to be taken up at the meeting of the insurance division of American Management Assn. at Chicago, Dec. 15-16, will be the application of multiple underwriting to current insurance problems; state regulations prohibiting the writing of blanket policies covering multiple locations; unavailability of deductible policies on a large scale basis, workmen's compensation policy complexities causing the various state endorsements and the obstacles to simplified forms, broader forms and more consistent ratings.

Also attention will be given to loss prevention and retrospective rating, fire insurance on multiple location risks and policies and practices of insurance buying in a "fourth round" economy. At the closing session, there will be an open forum at which a panel will undertake to answer questions on criminal loss, compensation and liability, boiler U. & O. and fire U. & O.

Harrington Is Slated

Discussion leaders at the first-day session on the insurance needs of industry include Commissioner Harrington of Massachusetts; Roy C. McCullough, deputy New York superintendent; C. J. Haugh, secretary compensation and liability department of Travelers; Chase M. Smith, general counsel of Lumbermen's Mutual Casualty; Lewis E. Eldridge, insurance manager of Collins & Aikman Corp., Philadelphia, and Paul H. Schindler, insurance manager of Youngstown Sheet & Tube.

Subsidiary Device Is Outlawed in Michigan

LANSING—A Michigan insurer may not, according to an attorney general's opinion, perform acts through a subsidiary which would be illegal if performed by the parent organization.

Commissioner Forbes had inquired as to the status of a wholly owned subsidiary stock corporation of a domestic mutual insurer. The directors of the subsidiary were designated by and from the members of the board of the insurer. The insurer had sold real estate to the subsidiary which has continued to hold it when the holding of such real estate by the insurer would have been inadmissible. The subsidiary holds second mortgages overlying first mortgages of the insurer, which second mortgages would be inadmissible in part or in whole if owned by the insurer.

The questions were whether a Michigan insurer legally can purchase and operate a subsidiary corporation whose activities exceed those permitted the insurer; whether the investments restrictions applying to an insurer may be exceeded by such a subsidiary; whether an insurer may make loans to its own officers and directors through the subsidiary, and whether operation of such a subsidiary—not an insurance company—is a permissible activity of a domestic insurer.

The attorney general answered all of the questions in the negative.

G. E. Tribble on Board

George E. Tribble of Baltimore has been elected a director of Preferred Accident replacing the late Sterling Pierson who was vice-president and counsel of Equitable Society. Mr. Tribble is a director of Maryland Trust of Baltimore and former vice-president of Maryland Casualty.

The question and answer panel will consist of John P. Madigan, bond manager of Maryland Casualty at New York; Charles J. Hare, assistant secretary of Indemnity of North America; Harold R. S. Perdriau, Mutual Boiler, and Robert M. Beatty, executive general adjuster of Western Adjustment, Chicago.

Prof. Paul W. McCracken of the business school at University of Michigan will address a luncheon meeting the second day on the expected currents and business activity that may affect practices and policies of management in

respect to insurance.

Other discussion leaders include H. H. Hook, insurance manager of Koppers Co.; R. D. Constable, insurance manager Niagara-Hudson Power Corp.; Walter M. Sheldon, vice-president W. A. Alexander & Co., Chicago; E. Walter Helm, Jr., resident vice-president New Amsterdam Casualty, Philadelphia; E. I. Evans, president E. I. Evans & Co., Columbus, and John R. Blades, insurance adviser of Newark.

T. J. Reidy 50 Year Man

T. J. Reidy, Chicago local agent op-

erating as T. J. Reidy & Co., has completed 50 years in the insurance business. He started as an office boy with Charles W. Drew & Co. after having attended St. Patrick's Commercial Academy. He heard of the opening from James Naghten, a pioneer in Chicago insurance, who is an alumnus of that academy. A few years later he became a counterman for German of Freeport and then when that company went out of existence following the San Francisco disaster, he was connected with several general agencies until he went into business for himself in 1912.

**Woodrow Wilson
on September 9, 1912 said...**



"Liberty has never come from the government...the history of liberty is the history of the limitations of governmental power, not the increase of it"

The miracle which is America was built by individuals hard at work in a free economy—a free economy created by our Founding Fathers through the limitation of the powers of government. Are we now ready to go backward—ready to build up the powers of government—ready to barter our priceless heritage of liberty in exchange for mere promises of cradle-to-grave security?

The warning sounded 37 years ago by Woodrow Wilson must now be acted upon—if the American way of life is to be preserved for this generation and generations to come.



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N. J. Employers in Mass Migration from State Fund, Employee Benefit Men Told

New Jersey businesses operating under the temporary disability benefits law are mass-migrating out of the state fund and into their own private plan arrangements, W. R. Bull, social security director of the New Jersey Chamber of Commerce, said at the meeting in Chicago of the Federation of Employee Benefit Associations.

Companies are leaving the fund at the rate of 100 a month because of more generous benefits in private plans and

because it affords employers a measure of control against malingering not available through the state fund, he said.

Since the law went into effect, he said, more than 2,500 employing units have deserted the state plan for the private insurers. This remarkable shift is the most outstanding development under the New Jersey law so far, he continued. The trend, he said, will be an important force in pointing future legislation in other states toward the system of free competitive enterprise represented by private plans rather than utilizing governmental plans which lack individuality and flexibility. Private insurers cover more than 700,000 employees in New Jersey or more than half of the total,

but only about one-third of the 40,000 eligible employers.

Mo. Commissioner Considers 7.3% "Comp" Rate Decrease

JEFFERSON CITY, MO.—Superintendent Leggett has under advisement the proposals of National Council on Compensation Insurance for a revision of the rates for workmen's compensation in Missouri for 1950 which were considered at a public hearing conducted by former Superintendent Jackson. The proposed rates would provide an average reduction of 7.3% or about \$1,365,100.

At the hearing spokesmen for Associated Industries of Missouri contended that the reduction was not sufficient, saying that according to the experience data filed in support of the new rates by the National Council, the general overall rate level should be reduced by an average of 11.1%.

The position of the A.I.M. was supported by George Oppenheimer of Kansas City, president Missouri Assn. of Insurance Agents, and John J. Henschke, vice-president Insurance Board of St. Louis.

The hearing also considered the proposal to increase rates for private residences—inservants and outservants—revising the rules and procedures in retrospective rating plans A, B, C and D and also in the premium discount plan to allow proper credit for the 2.5 points profit factor proposed in the general rate revision.

The National Council was represented by H. F. Richardson, secretary, who explained the basis for the filing. A number of agents also were on hand.

Raine Indiana Manager

The St. Paul Fire & Marine group, has appointed Holmes B. Raine manager for Indiana. He has traveled Indiana as special and state agent for several years and will continue to maintain headquarters at Indianapolis.

Superior Boosts Capital

Superior Insurance Co., Dallas has increased its capital from \$400,000 to \$500,000 by a 25% stock dividend, President E. T. Earnest announces.

E. D. Williams has purchased a one-half interest in the Schultheis agency at Daytona Beach, Fla., and has been elected secretary of the agency. He has been an agent for Mutual Benefit Life and will continue to represent it.

Grand Nest Appointments Made

Appointments have been now made of the new deputy most loyal grand granders of the Blue Goose and of the grand nest committees.

The deputy most loyal grand granders-at-large are: Central states, E. R. Rust, Des Moines; eastern states, Robert L. Wiseman, Washington; southern states, John C. Leisler, Jr., Dallas; western, Everett M. Northrup, Oakland.

Deputies for Canada are: Alberta, Robert K. Smith, Calgary; British Columbia, James McBeath, Vancouver; Manitoba, Don W. Rowan, Winnipeg; Ontario, W. A. Winhall, Toronto; Quebec, Paul E. Tremblay, Montreal.

Deputies in the U. S. are: Dakota, Paul B. Olinger, Minneapolis; Minnesota, Allan H. Larson, Milwaukee; Nebraska, Clarence E. Dana, Sioux Falls, S. D.; Iowa, Alex B. Young, Kansas City; Ohio, Don G. Kaga, Indianapolis; Indiana, Harry F. Albershardt, Columbus; Michigan, Edgar H. Miller, Chicago; Illinois, Clarence Herrick, Jackson, Mich.; Kansas, Mark W. Besack, Omaha; Heart of America, Leonard S. Poor, St. Louis; St. Louis, O. D. Butcher, Topeka; Wisconsin home nest, H. G. Zimmerman, Des Moines; Maryland and District of Columbia, Robert W. Martin, Baltimore; West Virginia, Clark Cunningham, Charleston, W. Va.; eastern and western Pennsylvania, Robert F. Goodhue, Philadelphia; New York, Gilbert A. Dietrich, New York; Alabama, Kentucky, Louisiana and Mississippi, W. E. Bethshares, Nashville; Arkansas, Oklahoma and Texas, William W. Leigh, Little Rock; Carolinas, Florida, Georgia and Virginia, Harry N. Tallafiero, Atlanta; Oregon and Washington, A. M. Jones, Seattle; Utah-Idaho and Montana, W. J. H. Montgomery, Salt Lake City; northern California, R. E. Swearingen, San Francisco; Arizona and southern California, Mark A. Wells, Los Angeles; Colorado, New Mexico and Wyoming, W. E. Miner, Jr., Denver; Hawaiian territory, E. Warren Small, Honolulu.

Judge advocate is H. O. Wolfe of Milwaukee; grand nest historian, Paul E. Rudd, Milwaukee.

Mr. Wolfe is chairman of the jurisprudence committee; W. Ayton Cox, St. Louis, heads the constitution and by-laws committee; Allen C. Guy, Columbus, ritual; James A. Bawden, Indianapolis, memorial; T. L. Mulcahy, Milwaukee, emblem; Levering Cartwright, Chicago, publicity; Nelson C. Lane, Milwaukee, ladies auxiliary; P. M. Winchester, New York, proportionate representation.

William G. Mockett, special agent for Connecticut Fire in western Pennsylvania and West Virginia from 1907 until his retirement in 1937, died at his home at Maywood, N. J., following a short illness. He was 79 years of age.

Aetna Casualty is the originator of the performance and payment bond for the construction of the Benson street storm sewer at Omaha by Santucci Construction Co. of Skokie, Ill., for which the contract price is \$1,062,000.

Casualty & Surety Club of New York will hold its Christmas party at the Waldorf-Astoria Dec. 12.

Gulf Marks Its 25th Anniversary

Gulf of Dallas has now entered its 25th year in business. It started with five employees and the roster is now 266 and there are 2,300 agents. The company operates in 18 states and assets exceed \$13 million. In the picture are shown three executives that have been with the company since its inception. From the left they are: A. R. Buchel, vice-president in charge of the fire department; President T. R. Mansfield, and R. H. McKenzie, first vice-president.

Mr. Mansfield was one of the organizers with George W. Jalonick, Jr. In 1929 Gulf organized Atlantic as a companion company. In

1947 an imposing home office was built on Cedar Springs road. Branch offices are maintained at Los Angeles, San Francisco and Indianapolis.



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Contest for Rural Fire Departments Outlined by NFWC

Details of a national contest for rural fire departments were described at the annual meeting of National Fire Waste Council's agricultural committee at the Edgewater Beach hotel, Chicago, by Harry P. Cooper, Jr., sec-



DENNIS C. SMITH

retary National Assn. of Mutual Insurance Companies, Indianapolis.

In opening the meeting the committee chairman, Dennis C. Smith, assistant manager farm department of Home, Chicago, termed it the most important ever held, since the launching of the rural fire department contest will place the agricultural committee on a truly national basis.

Mr. Smith said that the increased use of modern machinery on farms creates hazards which call for a more scientific application of fire prevention techniques. He emphasized that fire prevention alone is not enough but that the big business of agriculture must be given the assistance and leadership required to provide it with adequate fire protection. This, he observed, is the purpose and goal of the agricultural committee.

Contest Requirements

Any fire department servicing rural areas is eligible to participate in the national contest. Requirements of the contest include completion and filing of a report of fire department activities. The report consists of three divisions which seek information on loss record, fire protection equipment, and fire prevention work.

The report forms may be obtained from local chambers of commerce and upon completion are to be filed either with the chamber or with N.F.W.C. Competition will be on an annual basis and will begin July 1, 1950. Winners will be selected in 1951 and will be announced at the annual meeting of the agricultural committee.

All fire departments filing reports will be given certificates of participation. The department selected as winner in each state will get a first place certificate and the national winner will receive a plaque or trophy.

Mr. Cooper stated that the purpose of the contest is to give belated recognition to rural firemen and to encourage the expansion and improvement of fire department service and fire prevention at the farm level.

The role of the U. S. Chamber of Commerce in fire prevention was explained by Harry F. Perlet, assistant manager of the chamber's insurance department. He told how the chamber was instrumental in founding N.F.W.C. for the purpose of coordinating the efforts

of numerous organizations doing fire prevention work.

The chambers of commerce, Mr. Perlet pointed out, are the ideal vehicles to carry on fire prevention on a local basis. He said this is because the local chambers usually are composed of business men whose influence permeates the entire community.

Discussion of technological advances made in farm machinery and the specific hazards they cause made up the remainder of the meeting. A central theme of almost all talks was that fire prevention work should be aimed at the youthful farmer, since he is more impressionable.

Other speakers were: Mel Blaising, Independent Protection Co., Goshen, Ind.; John S. Nacey, vice-president P. Nacey Co., Chicago; J. S. Russell, farm editor Des Moines "Register & Tribune"; David W. Just, assistant electrical engineer Underwriters Laboratories, Chicago, and Norton T. Ames, chairman fire and police committee of Oregon, Wis.

On the day preceding the N.C.F.W. meeting, the farm fire protection committee held a meeting at the Edgewater Beach hotel to explore the needs for new rural fire protection standards. According to Chairman Henry Giese,

Iowa State College, the pre-war standards still in effect need to be brought up to date. Discussion at this meeting particularly centered on lightning protection problems.

Convict Officers of Keystone Mutual

PITTSBURGH—Two former company officials were convicted here after all charges except that of filing a false annual report with the department were swept aside by Judge McCreary in the trial of officials of the defunct Keystone Mutual Casualty, which state examiners say has a \$2 million deficit. The judge approved the dropping of all charges against one of the officers.

The ruling obviates prison sentences for the two officers. Sentence on the false filing charges was held up pending a motion for retrial.

Nathaniel P. Kann, president, and Andrew J. O'Leary, vice-president of the company, now being liquidated by the department, face possible sentences ranging from \$500 to \$5,000 fines and being barred from the insurance field.

Vacation of the charges against Eva-

lyn Kann, wife of the president, were made at the request of Ralph B. Umstead, deputy state attorney general, after Mrs. Kann testified she signed the disputed report only because her husband told her to.

Kann told the court he advanced \$75,000 to the company and was later repaid when premiums were collected. It was this amount on which embezzlement charges by the state were based.

Keystone Mutual was thrown into liquidation by Commissioner Malone in 1947, when a \$2 million deficit was indicated after the department probed the finances of the company. It is alleged that the Kann Insurance Agency paid Keystone \$75,000 for premiums due more than 90 days. Later this sum was paid back to the agency, it is charged by the state, although the transaction is not recorded on the company's books.

New G. A. B. Duties for Miller

J. C. Miller, manager at Riverside, Cal., for General Adjustment Bureau, has been named manager also at San Bernardino. He will be assisted by W. R. Kinney, adjuster in charge at San Bernardino. Mr. Kinney has been with G. A. B. for a year, having been before that with Western Adjustment.

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Uniform Accounting Committee Decisions

A number of decisions were reached by the National Assn. of Insurance Commissioners uniform accounting sub-committee following its joint meeting with the industry group studying that subject. James J. Higgins, New York, is chairman of the sub-committee.

The committee turned down industry suggestions on tax classifications. Although it stated that some changes are necessary, the wordage of the industry suggestion was felt to be insufficiently informative. The elimination of the word "entertaining" from the title of

that class was not approved. The sub-committee will consider the use of a suitable substitute however. A report may be rendered on reinsurance commissions at the December N.A.I.C. meeting, if it can be prepared in time. The proposals of the American Institute of Marine Underwriters on ocean marine loss adjustment expense were accepted pending further study.

Many problems are created in the attempted establishment of definitions of losses covered under the different sections of policy contracts, the sub-committee said in its preliminary report, noting that more time will be required to complete its study. The sub-committee on rates and rating organizations was asked to indicate if it wished to modify its requested establishment of

the definitions or make further recommendations. The problems in this field arise, for example, under an automobile liability policy with the provision that the company will pay "all expenses incurred by the company." Should all loss adjustment expenses be policy obligations? Many services are rendered and losses paid which are not classified as losses but may be so allocated for accounting convenience. Perhaps, the committee says, from a public relations standpoint, losses should include all expenditures which the insured would have to make if he did not have insurance. A "clean" figure is needed. The apportionment of the expense of paying attorneys and adjusters to losses, may complicate the figures unless accuracy in allocation is used.

On payroll audit and inspections the committee suggested that the blanks committee be requested to amend Note B on the bottom of part two of the insurance expense exhibit to say that expense allocations to inspection and payroll audit are not subject to instructions for uniform classification of expense. Each company wishing to allocate a portion of general expenses to them may do so using definitions suitable to the company. Those companies not wanting to do so may leave the lines blank.

The sub-committee report will be presented to the N.A.I.C. uniform accounting committee headed by Malone of Pennsylvania at the December meeting. Some of the items in the committee report will be reconsidered at the annual meeting of the committee in April.

Wis. Auto Physical Damage Rates Down

Instead of a 3.5% average increase in fire, theft and collision premiums in Wisconsin, that was requested by National Automobile Underwriters Assn., Commissioner Lange has approved a reduction averaging 5.6%, effective Dec. 1. Mr. Lange estimates that this will mean a decrease in premiums of about \$300,000 a year.

Statistics supporting the request for increased rates were based on the two-year period ending June 30, 1948, and Mr. Lange insisted that the exhibit be projected to a more recent date. The figures were then brought up to March of this year and this indicated that a decrease was in order.

The average reduction will be 12½% for fire and theft and 9.5% for comprehensive and 5.1% for collision.

Mr. Lange said that premiums received by National Automobile Underwriters Assn. companies for the fiscal year ending June 30, 1947, amounted to \$3,033,000 and losses were \$1,600,000. During the next fiscal year, the premiums were about \$6 million, losses about \$3 million. The loss ratio dropped to 46.6% for the first half of the 1948-49 year, according to Mr. Lange.

75 Attend Ill. Blue Goose Fall Meeting at Chicago

There was a turnout of 75 for the fall meeting of Illinois Blue Goose at Chicago to hear a talk by Frank Parenti of the Chicago White Sox baseball club. Mr. Parenti described how young prospects are brought into the major leagues, and showed a film, "Down on the Farm," which further covered this activity.

A. G. Keats, North America, the most loyal gander, reported on the grand nest meeting at Seattle. Twelve new members were added, and the obligation was given by E. H. Miller, North British, a past M.L.G., and the charge by Dan Harrigan, St. Paul F. & M., a past M.L.G.

The midyear meeting will be at Springfield on Jan. 10, the evening before the midyear meeting of Illinois Fire Underwriters Assn.

Cites Adverse Factors in Ocean Marine

J. A. Bogardus of Atlantic Mutual, in his presidential address at the annual

dinner of American Institute of Marine Underwriters at New York, said that a decline in ocean marine insurance writings in the U. S. market this year is due to the dollar shortage abroad, spread of Communism in the Far East and reduced movement of cargo in certain trades. Last year premium volume amounted to \$180 million, which is an increase of \$125 million in 25 years.

He said the result has been negligible from the ECA regulation providing that insurance premiums may be financed out of ECA funds when authorized by the participating countries. The shortage of dollars abroad is usually given as the compelling reason when foreign countries seek to restrict the insurance on their imports and exports to their domiciliary companies. The ECA plan has reduced cargo writings to ECA countries to a mere dribble.

Growing competition of foreign flag vessels and a reduced amount of cargo in certain trades forced American steamship operators to curtail their services and to turn back to the government their chartered vessels, thus reducing ocean hull writings.

Important Markets Lost

The spread of Communism in the Far East has deprived merchant ship owners and marine underwriters of important markets and the announcement that Russia has the atom bomb gives added concern to the future of war risk insurance.

Despite all these adverse factors, however, the future of marine insurance is not at all discouraging, he said. The insular outlook is rapidly disappearing in this country and the American market is receiving an increasing flow of business from foreign sources and a growing number of American marine companies are venturing into foreign fields. He said the marine market does not want the government in the business and desires no subsidies, but does feel that the government's attitude toward U. S. marine insurance should be a sympathetic one. At times, he said, there is cause to wonder whether the government is on the side of the home team or is rooting for the visitors.

Fight Mandatory Plan

The New York department and company committees have been petitioned by Westchester County Assn. of Insurance Agents to refrain from taking any unilateral action that would make the \$50 deductible windstorm and hail clause mandatory. The association noted that this deductible has been incorporated in the general form distributed by New York Fire Insurance Rating Organization known as suburban general form. It was pointed out that similar procedure was followed in other neighboring states prior to adoption of rules that resulted in a mandatory deductible. The New York department earlier this year refused to accept a filing for a mandatory deductible in New York.

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Mutual Group Holds Earnest Session on Casualty Claims Problems

The meeting of the claim group of Conference of Mutual Casualty Companies at Chicago last week was attended by about 125 company officers and claim managers who heard a battery of well qualified speakers take up problems in the claims field from a variety of viewpoints.

Fletcher B. Coleman, vice-president of State Farm Mutual Automobile, president of Conference of Mutual Casualty Companies, was in general charge, and C. V. Dunnuck, superintendent of claims for State Farm, presided as chairman of the claims committee.

These meetings have become noted for their frankness of expression and the quality of material presented, and have grown to sizable proportions from a small beginning in 1941. The mutual casualty conference has 41 member companies, but at the committee gatherings there is a good representation of non-members.

Farm Liability Questions

In his discussion of "Common Law Defenses to Farm Liability Claims," Robert R. Collins, assistant claims manager of Allied Mutual Casualty of Des Moines, pointed out that the farm liability policy and claims arising under it are too new for all the ramifications and possibilities to have been developed. These claims run the entire gamut of the casualty field. The policy entails a premises coverage, employers' liability, and follows the farmer and his employees off the premises when engaged in farming. It provides an additional personal activities coverage for the insured residing on the premises.

Many claims on farm policies have arisen for which no precedents exist. It is necessary to draw analogies from situations in the other casualty fields and from existing decisions in negligence law in attempting to answer questions.

Mr. Collins reviewed a variety of the situations that can arise from public liability and employer's liability claims and noted that the courts show a divergence of opinion and have, in some cases, abandoned common law practice in the farm field.

Contributory negligence and the absence of any defect or negligence on the part of the insured are the main defenses for cases involving persons entering the farm premises. Mr. Collins remarked that medical payments coverage has assisted in preventing many of these cases from going to litigation.

Escaping Cattle Problem

However, the problem arising from escaping livestock has brought some rather sizable claims. The common law rule of absolute liability in this situation has been modified in the courts to the point that if it can be shown that the owner exercised reasonable care in restraining the animal, the question of negligence becomes a fact for the jury.

A greater hazard in the same situation develops from cattle escaping to the highway. Mr. Collins mentioned a case in which the farmer had placed his horses in an enclosure across the road from the farm buildings. The gate was left open in the evening and a truck came along and hit one of the horses as it crossed the road to the barnyard. In this case, there was no showing that the farmer knew his fence was open and the court declared that the farmer was not negligent. Further, since they were crossing a public road, the horses could not be said to be trespassing.

Generally speaking, Mr. Collins observed, the question is one for the jury as to whether there is negligence on the part of the farmer for failing to restrain his animal, as well as the question of contributory negligence on the part of the motorist. In the investigation of cow-car accidents, it behooves the company to determine whether there was an act of commission or omission

on the part of the farmer permitting the cow to escape onto the highway, and at the same time, whether cow gave the motorist an opportunity to observe it in time to avoid the accident. Whether the cattle were attended or unattended is an important point in these cases.

In the problem of fire jumping from the farmer's property to adjoining fields and buildings of neighbors, common law was one of absolute liability. This rule has not been generally accepted in the United States and liability is predicated on whether or not the fire was negligently guarded or improperly set.

Employers' Liability Questions

Recovery under farm employers' liability or workmen's compensation is one class of industry which is by and large still subject to common law defense between master and servant, Mr. Collins observed. The great difficulty in these cases is determining the status of the claimant—whether he is an employee in the course of employment and engaged in activity incidental to the insured farm. This is a field in which considerable confusion exists, calling for careful investigation and analysis by company claim departments.

A workman is not a farm laborer simply because at the moment he is doing work on a farm. In a Minnesota case, the caretaker of a summer resort on his way to work on a neighboring farm, owned by his employer's wife, was hit by a train. The court allowed recovery under the workmen's compensation policy, stating that the man was still under the employment and direction of the resort owner and not en route to do casual and personal farm labor for another.

Employee or Contractor?

Another distinction must be raised as to the status of employee or independent contractor. The courts have shown a tendency to crystallize their thinking on whether the worker is subject to the control of the person for whom work is being done, or is responsible only for accomplishing a particular result and is left to himself to determine the manner in which that result shall be accomplished.

One of the controversial questions is that of exchange labor. Mr. Collins raised the question of whether such labor creates an employee-employer relationship. He cited the example of Adams helping Brown fill his silo. Adams takes his own blower to Brown's place and is paid by the hour for the use of the blower, and in consideration of Adams' help, Brown commits himself to help Adams the following day. Is Adams an employee of Brown? It would appear, Mr. Collins said, that there is a consideration from Brown to Adams for services and it should be no different than instead of Brown bargaining in services, he actually paid Brown in cash. Suppose Adams, instead of being paid by the hour, is paid a flat sum and brings his own crew, but being short of men, he asks Brown to help and, in turn, deducts \$5 from the contract price. Does Brown now become an employee of Adams, and at the same time, is Adams an independent contractor of Brown? Would this situation be changed if, in-

stead of Brown helping Adams, Brown's hired man, Jones, is assigned to the work of helping Adams with the understanding that the price be reduced \$5. Is Jones thus an employee of Adams? Is he a borrowed servant?

Control Is Test

The general test of master-servant relationship is whether the servant, at the time of injury, was subject to control and discharge. If the control rule is followed in the case of Jones assisting Adams, it would hardly seem plausible that Jones could thus become an employee of Adams and still be subject to recall or other duties assigned by Brown. Mr. Collins advocated the the-

ory that Adams would be an independent contractor if he fills the silo on a contract price, but it still would be necessary to determine whether Brown is in control of the manner in which the silage is cut and the silo filled, or whether he is looking to Adams only for the end result.

Employee-employer relationships on farms can change at a moment's notice. Mr. Collins mentioned the case of a tenant in a tenant house, who is paid a monthly wage and is allowed exclusive use of a certain acreage and the landlord's machinery in tilling his own acreage, but is subject to call at all times to work on the main farm. The man

(CONTINUED ON PAGE 14)



Benjamin Franklin

is credited with having made more American millionaires than any other one person, including Andrew Carnegie, Henry Ford, or General Motors.

He did it by setting down twelve rules for business success.

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- 2—SILENCE. Speak not but what may benefit others or yourself; avoid trifling conversations.
- 3—ORDER. Let all your things have their places, let each part of your business have its time.
- 4—RESOLUTION. Resolve to perform what you ought; perform without fail what you resolve.
- 5—FRUGALITY. Make no expense but to do good to others or yourself; i.e., waste nothing.
- 6—INDUSTRY. Lose no time; be always employed in something useful; cut off all unnecessary action.
- 7—SINCERITY. Use no hurtful deceit; think innocently and justly, and if you speak, speak accordingly.
- 8—JUSTICE. Wrong none by doing injuries, or omitting the benefits that are your duty.
- 9—MODERATION. Avoid extremes; forbear resenting injuries so much as you think they deserve.
- 10—CLEANLINESS. Tolerate no uncleanness in body, clothes or habitation.
- 11—TRANQUILITY. Be not disturbed at trifles, or at accidents common or uncommon or unavoidable.
- 12—IMITATE Jesus and Socrates.

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Discount Program Is Assailed

(CONTINUED FROM PAGE 1)

independent nor the chain store management can exercise any control. The stocks of both will be ruined. The tariff rate for both is 41.8 cents, but the discount plan gives the chain store a chance to save 35% and the small shop keeper must pay up to 54% more.

As the number of locations increases, the discount puts more and more weight on the individual loss factor and less and less on class experience until at 1,001 the use of class experience disappears entirely and dependence is 100% on individual loss experience. The discounts are, according to Mr. Newton, admittedly "picked out of the air." Yet the New York rating law calls for the application of "standards."

Can Avoid Surcharges

Surcharges can be avoided by the chain buyer, he declared. If he hasn't had a fire in five years he gets a big discount. If he has a big fire, he is supposed to be surcharged. At that point he can leave the discount plan and buy regular coverage, getting the

same rate as the little fellow. The plan is a one way street. The big buyer can get large discounts, but the small insured absorbs his big losses.

The discounts that were for 20 years given by the Interstate Underwriters Board were "arbitrarily and unfairly discriminatory," he said.

He termed Ivan Escott of Home, whose name is often given to the discount plan, as the victim of frustration, since he had also advocated and his name was attached to the weighted average plan. Then he switched to the discount plan when Superintendent Dineen indicated he would accept only a discount schedule of some sort.

CLAYTON ACT

Under the Clayton act there are only four legitimate grounds for price differentials—differences in grade or quality of the article sold, and demonstrable cost differentials resulting from the difference in methods of sales or de-

livery or on the basis of quantity sold. In insurance there is no difference in quality or grade except that under the discount plan there is automatic pickup and some other features which make it of better quality than offered to independents so that actually the insurance ought to cost the chain store more, not less, if it is to meet the Clayton act. Mr. Newton said that when the commissioners were sold on the multiple location risk idea, it was on the basis that multiple location risks would pay more, not get a discount. As to discounts for quantity, these must reflect only cost saving, to the penny, and so far no statistics have been produced to justify Escott plan discounts of up to 35%. The burden of supplying these figures is on the proponents and not on opponents of the plan. Even if the savings were justified and statistics supported them, the discount plan still violates the Clayton act because it does not offer a true quantity discount.

Legal Arguments vs Plan

Among the legal arguments against the plan, according to Breck P. McAllister, of counsel, are that the superintendent approved the discount plan although he had an appeal before him from America Fore. Section 184 of the New York insurance law doesn't permit the superintendent to approve before he has held a hearing on an appeal. Otherwise there is no relief in the section, he said.

Consequently, Mr. McAllister asked for revocation of the approval of the filing of Aug. 31 and its repeal. The superintendent knew of the substantial disagreement in the business on the plan, and yet he approved it and made it retroactive. The superintendent has the power to suspend or postpone a previous order, he said. The department had indicated that America Fore did not show irreparable injury, but the law does not provide this as a prerequisite to securing such a stay, he added.

Withdrawal Is No Relief

America Fore could withdraw from the N.Y.F.I.R.O. and file its own plan, but not to use a rating organization puts an insurer at a disadvantage, and this provides no relief. Further America Fore claims that the discount plan is unfairly discriminatory and wants to be protected against this kind of competition.

Mr. Newton declared that under section 2F of the Clayton act, if the department of justice or federal trade commission indicts the companies using the plan, they will not be able to plead in defense that the rating plan was approved by the New York department.

The users of the plan are running a great risk in thinking that the McCarran act excludes them from the anti-trust laws, he warned.

He then asserted that a representative of the FTC was present in the room attending the hearing. This, he said, indicated more than idle curiosity on the part of FTC. He disclaimed, for his clients, having had anything to do with the presence of the FTC man, a disclaimer in which Abraham Kaplan, N.Y.F.I.R.O. counsel, joined. The interest created by this assertion subsided however, when no FTC representative could be located. It was learned, however, that a representative of the New York office of FTC had phoned for information about the hearing.

The New York law also includes anti-trust provisions, which are violated, he continued, comparing sections of the New York law's anti-discrimination provisions with federal statutes.

The filing plainly and patently violates the Robinson-Patman act, he declared, and it is doubtful that the violation is excused by the McCarran act. He then asserted that N.Y.F.I.R.O. made the filing under "the bludgeoning of Superintendent Dineen."

He cited numerous excerpts from the congressional record and from congress-

sional committee hearing minutes which followed the general line that big business was receiving special discounts and was quoted lower prices for its insurance than small business in 1943. Congress was very concerned with I.U.B. discounting procedures then and will be again, he argued, if the Aug. 31 plan, which utilizes the practices disapproved then, is continued. He then quoted a number of governors and insurance commissioners who, in 1943, said their state insurance laws prohibited discrimination.

The tenor of these letters was such as to allay the fears of Congress in passing a law excluding insurance from the federal anti-trust laws relying on state laws to handle the problem of regulation, he said.

The delivery style of Mr. Newton, although making the hearing a one-man show, was a change from previous hearings which became quite dull for the audience. He spoke in a loud, resonant voice, from a prepared text laid on a podium, and in general utilized the technique of a barrister.

Fidelity & Guaranty has joined appellants.

T. D. McCarl manager of Multiple Location Service Office, who was a witness Tuesday, testified that among those companies that voted against the discount plan, in addition to appellants, were Commercial Union, Fire Association, North British, Norwich Union and Royal.

There is every indication that the dissenting companies will take the case to court if they fail in their appeal to the department. A representative of the New York attorney general's office has attended parts of the hearing. H. D. Rice, manager of N.Y.F.I.R.O., also is scheduled to appear as a witness.

Apparently there will be much emphasis on whether statistics available justify anything like the plan that the New York department approved.

Scholarship Ceremonies

MADISON, WIS.—Four University of Wisconsin seniors, including Robert J. Wilson, of Milwaukee, and on the 1949 football team and a 1948 All-American selection, were each presented with a \$250 cash scholarship award for scholastic achievement in the school of commerce insurance department.

The awards were made by four Wisconsin insurance companies at a meeting of the university's insurance society at the Park Hotel. Neil G. Cafferty, university controller, introduced the insurance company executives who announced the awards.

To Paul A. Klein of Wausau went the Farmers Mutual Automobile scholarship, presented by H. L. Wittner, secretary; to Thomas E. Green of Merritt went the General Casualty of Madison scholarship, presented by P. N. Snodgrass, secretary; Wilson received the National Guardian Life scholarship, presented by Richard Boisard, president; John G. Foyer of Chicago got the Old Line Life scholarship, presented by J. H. Daggett, president.

Guest speakers at the meeting were R. A. Mitchell, Chicago marine manager and E. S. Mason of the same department of North America at Chicago.

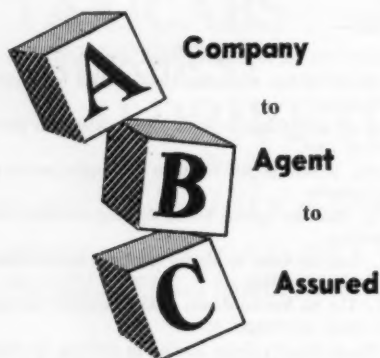
John Siewert, president of the insurance society, presented honorary memberships in the society to T. W. Doig, managing director of CUNA Mutual, and L. J. Maurer, treasurer of Farmers Mutual Automobile.

Turner Indianapolis Chief

At the annual meeting of Surety Assn. of Indianapolis, Ben R. Turner, Jr., Fidelity & Deposit, was elected president; H. E. Curry, Aetna Casualty, vice president; E. M. Curry, Standard Accident, secretary, and John E. Cadwallander, Travelers Indemnity, treasurer.

Thomas W. King, American Surety, retiring president, becomes a member of the executive committee.

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Wrongful Default Is Found in Noronic Disaster

"Wrongful default" of the owners and master is blamed for the loss of life when the cruise ship Noronic burned at Toronto Sept. 27, bringing death to 120 passengers. This was the verdict of Supreme Court Justice Roy L. Kellock, who conducted a royal commission inquiry into the disaster. Public hearings were held for 18 days at Toronto. The license of the Noronic captain, William Taylor, was suspended for a year and the Canada Steamship Lines, the owner of Noronic, was ordered to pay costs of the royal commission.

The commissioner did not go into the question of civil or criminal responsibility, but his conclusions will undoubtedly carry much weight in determining the question of whether Canada Steamship Co. can limit its liability under the Canada shipping act. Chapter 44 of the Canada shipping act of 1934 provides that ship owners, whether registered in Canada or not, shall not be liable to damages in respect of loss of life or personal injury either alone or together with loss or damage to vessels, goods, merchandise or other things to an aggregate amount exceeding \$72.97 for each ton of their ship's tonnage; nor in respect of loss or damage to vessel's goods, merchandise or other things whether there be in addition, loss of life or personal injury or not to an aggregate amount exceeding \$38.92 for each ton. This limitation applies in cases where the loss of life, or personal injury or damage or loss to property occurs without the "actual fault or privity" of the owners. If it is held that there is such fault or privity, then there would be no limitation on the liability.

Justice Lists Failures

The insurance was placed by the Osborn & Lange agency of Chicago.

Justice Kellock listed the default of the owners as consisting of failure to have continuous patrol of the ship for detecting fire; failure to have any organization when passengers were on board in dock for sending a fire alarm to a point from which trained men could be dispatched; failure to contemplate the possibility of fire at a dock and maintaining only 15 crew members on duty; failure to have any plan for arousing passengers and getting them off the ship in a fire at dock; failure to train the crew as to proper steps to take on discovery of fire or in fire fighting methods beyond giving them a knowledge of how to operate fire extinguishers and hoses.

Fire Dept. Conference Set

The annual fire department instructors conference, sponsored by Western Actuarial Bureau, is scheduled for Jan. 10-13 at Memphis.

H. O. CASUALTY UNDERWRITER

A Midwest Casualty Company wants a multiple line underwriter to coordinate the activities of all underwriting departments. Must make filings with states, pass on risks and able to manage people.

FERGASON PERSONNEL

330 S. Wells St. Chicago 6, Illinois
HARRISON 7-9040

COMPANIES

Transportation Capital Is Now \$1 Million

The capital of Transportation, which, except for directors' qualifying shares, is a wholly owned fire insurance subsidiary of Continental Casualty, has been increased from \$300,000 to \$1 million. At the same time an additional \$700,000 was contributed to surplus by Continental Casualty, resulting in a capital base for Transportation of \$1 million of capital and more than \$1,300,000 of net surplus.

R. B. Parrott President of Indiana Companies

R. B. Parrott has been elected president of Secured Fire & Marine and Secured Casualty of Indianapolis, taking the place left vacant by the resignation of Norman T. Robertson. Mr. Parrott is the founder of these companies and has been the executive vice-president and board chairman.

Extra for Agricultural

A special dividend of 25 cents a share has been declared by Agricultural in addition to the regular dividend of 75 cents, payable Jan. 3, to stock of record Dec. 15. A dividend of 50 cents a share will be paid on Dec. 15, 1949 for Empire State.

Now Liberty Mutual Fire

The name of United Mutual Fire was changed to Liberty Mutual Fire at the annual policyholders' meeting at Boston. The change was designed to clarify the association between United Mutual and Liberty Mutual Insurance Co., the parent casualty company. The new title becomes effective Dec. 15. There will be no changes in personnel or organization.

United Mutual was organized in 1908 and has been associated with Liberty Mutual since 1918.

Indiana Blue Goose Initiates 12 Candidates

Twelve candidates were initiated by Indiana Blue Goose, Monday night. About 100 attended this first fall meeting. A memorial service was held in memory of Ora H. Rudy, H. L. Newton and E. H. Shiel. The service was put on by a committee of which R. L. Dubois, Northern Assurance, was chairman.

J. Ray Hull, American States, most loyal grand gander, made his first address to the Indiana pond since his election to the top Blue Goose office. He said he did not look upon the honor that had come to him as personal—but an honor to Indiana pond.

The annual Christmas party will be held Dec. 17 at Indianapolis.

Most Loyal Gander G. R. Pritchett, American, said preliminaries are already well under way for the annual meeting of the grand nest at French Lick, next August.

George Goodwin Honored

George Goodwin, who retired last July after six years as deputy insurance commissioner of Connecticut, was guest of honor at a luncheon at Hartford, given by his former associates in the insurance department. Commissioner Allyn presided. A smoking stand was given Mr. Goodwin.

Mr. Goodwin had a 49-year insurance career. He was with Aetna Life 12 years, after which he joined Connecticut General, becoming secretary of its accident department.

New Farm Group Insurer

Farmers Group Indemnity has been approved by Commissioner Downey as

a name for a new California stock insurer which will be a running mate of Farmers Insurance Exchange, Truck Insurance Exchange and Fire Insurance Exchange.

Reinhardt Agency Sold

The I. Reinhardt & Son agency, Dallas, established in 1888, has been sold to W. P. (Bill) Tucker, W. R. Bagby and Todd Green. J. Fred Engler, former owner, will continue with the agency in an advisory capacity and as a solicitor. W. P. Tucker is a brother of the late

Charles Tucker, who owned the Reinhardt agency at the time of his death, and has been with the agency since 1933. Messrs. Bagby and Green operate the W. R. Bagby & Co. a agency, which will be consolidated with the Reinhardt agency.

District Meeting at Lima

A fifth district meeting of Ohio Assn. of Insurance Agents will be held at Lima Dec. 2. Arthur M. O'Connell of Cincinnati will speak on "Automobile Insurance Issue in Ohio."

FINE FURS....Protected



The story of the dog sled and the story of fur trading are inseparable, and this interwoven tale is part of the American tradition. Even today the dog sled transports pelts from snow-bound hinterlands to various terminals. Fur wraps are so popular that almost every American woman wears one. Prospects for the fur floater live everywhere and are easily convinced that their costly investments deserve this inexpensive protection.

By maintaining complete world-wide underwriting, service and claim departments, Appleton & Cox, Inc., marine managers since 1872, is ready to assist brokers and agents to develop their fur floater writings.



Appleton & Cox, Inc.

MARINE INSURANCE WORLD WIDE

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BRANCHES IN PRINCIPAL CITIES

1794
155TH ANNIVERSARY
1949

INSURANCE COMPANY

STATE OF PENNSYLVANIA

306 WALNUT STREET, PHILADELPHIA 6, PA.

J. H. Cahill Joins North, Chicago Adjusting Firm

Joseph H. Cahill, who for the past 22 years has been in charge of adjustments for the factory mutual companies in the middlewest with headquarters at Chicago, has become associated with Thomas T. North, Inc., the prominent independent adjusting firm of Chicago. Mr. Cahill graduated at Trinity College in civil engineering and then served in the first war as a captain in field artillery. Immediately thereafter he entered the service of the factory mutual companies and has resided at River Forest, Ill., since 1919. During his first years with the factory mutuals he served as a field fire prevention engineer.

Two of Mr. Cahill's sons are in the insurance business at Chicago. Joseph H. Cahill, Jr., is special agent for United National Indemnity in Cook county and northern Illinois, and John W. Cahill is with the special risk department of Aetna Fire.

Ky. Code Hearings Close

Hearings on the proposed new Kentucky insurance code have now been completed at Frankfort and additional hearings are under way at other points in the state that will probably be at-

tended by local agents. Full opportunity for discussion was afforded all interests. Bulletins were issued each day stating the changes that were agreed to and then finally there was a recapitulation of the points of difference. There was considerable discussion and disagreement on counter-signature matters and a representative committee was appointed which submitted a report. The committee consisted of a representative of Kentucky Assn. of Insurance Agents, local mutuals, foreign mutuals, stock companies and reciprocals.

New Adjusters Group

Tri-State Assn. of Insurance Adjusters has been officially organized at Evansville, Ind., with Harry E. Thompson, Travelers, as president; M. W. Hastings, Western Adjustment, vice-president; Harry Perkins, Underwriters Adjusting, secretary, and Carl Smith, Central Adjustment Co., treasurer. There are 45 members.

Mutual Agents Meet Dec. 3

The Kansas Assn. of Mutual Insurance Agents will hold its annual meeting Dec. 3 at Newton. Clarence J. Goering, Newton, is president and E. M. Sawyer, Hutchinson, secretary.

New Officers of Maryland Agents



Above are shown the officers of Maryland Assn. of Insurance Agents elected at annual meeting at Baltimore. From left—Carroll L. Crawford, Westminister, state national director; J. George Eisenberger, Baltimore, treasurer; Capt. C. C. Slayton, Annapolis, president; Brian B. Kane, Chestertown, secretary; George S. Robertson, executive secretary; Rodney J. Brooks, Baltimore, vice-president, and E. Albert Rossmann, Baltimore, board chairman and retiring president. E. Stuart Windsor, Baltimore, executive vice-president, was not available for the picture.

President Now Operating Head of 3 Maine Units

Lawrence C. Crockett has been advanced to secretary of Aristook County Patrons Mutual Fire, Northern Maine Patrons Mutual Fire and Aristook Mutual Fire, all of Presque Isle, Maine. He takes the place of H. F. McGlauffin, who was recently elected president of these companies. Mr. Crockett has been the assistant secretary. George W. Scott becomes treasurer. Mr. McGlauffin also previously had held that title. Mrs. Phyllis Ward continues as assistant secretary and assistant treasurer.

Mr. McGlauffin had been secretary of these companies 28 years. In the past, the managing head of these companies has had the title of secretary and the president has been inactive. Under the new setup, the president becomes the administrative head of the company and the officer that was president, becomes board chairman.

These three companies, together with Maine Mutual Fire of Lisbon Falls and State Mutual Fire of Portland, operate under the title of Maine Mutual Group of Insurance Companies. They have an agreement that while each will operate as an individual institution, they will protect each other in the event any one should experience financial difficulties.

New Daytona Agency

Southeastern Insurance Associates has been organized at Daytona Beach, Fla., by Howard L. Dayton of the Howard Dayton Hotel Co., and George W. Lubke, Jr., who operates an organization known as Estate Planning. R. Means Davis, formerly of Atlanta, becomes vice-president and general manager. The agency will deal in all forms of insurance and will specialize on group insurance and pensions.

Form Exchange at Dyersburg

DYERSBURG, TENN.—An insurance exchange, affiliated with Tennessee Assn. of Insurance Agents, is being organized here following a visit by George Goss, manager of the state association. While here Mr. Goss led local agents in cooperation with field men in an inspection by Tennessee Fire Prevention Assn.

Galveston Is Short on N.A.I.C. Accommodations

Prospects are for a very over-crowded condition at the convention of National Assn. of Insurance Commissioners at Galveston commencing Dec. 4. The Galvez and Buccaneer, the headquarters hotels, have only 500 rooms available for the meeting and there are already 1,500 requests for reservations. The conventioners are being spotted in a variety of hostels around the town and a good many may indeed arrive without knowing where they will be put up.

Viehmann at South Bend

SOUTH BEND, IND. — Commissioner Viehmann discussed the functions of his office before the South Bend-Mishawaka Assn. of Insurance agents at its November meeting.

Insurance Women of Los Angeles had as guests President Louise Campbell and four other members of the Long Beach club and Mrs. Madge Drummond and Miss Mary Williams of the San Diego club. Attendance exceeded 100.

WANT ADS

TREWEEKE AGENCY

Exclusive placement of insurance men and women in Southern California. Good positions always open for well qualified applicants under 40 years old.

Visit our offices, or write us.

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Accounting and Statistical—Desirous of change due to poor future outlook. Complete knowledge of accounting and statistical systems and all state requirements—annual statements, payrolls, etc. 21 years experience and full responsibility casualty and fire. Top references. Box W-64, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Large Stock Fire Insurance Group has opening for an experienced fieldman in Indiana and also one for Illinois with inspection Bureau Schedule training. Address W-65, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., giving full details of qualifications and experience and salary expected.



AN AGENT'S Obligation...

Because the average layman is not familiar with insurance matters, an insurance agent has an obligation to see:

1. that his policy-holder knows about the types of insurance he needs. Choice being left to the buyer he cannot criticize the agent for failure to keep him protected.
2. that adequate amounts are purchased.
3. that insurance is placed on an economical basis in a financially sound company.

An agent placing policies with the Pawtucket Mutual can be assured that he has properly fulfilled his obligation to his client.



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P. A. Pederson, Chief Inspector

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NEWS OF FIELD MEN

Two State Groups Join in Inspection of Texarkana

Texarkana, which straddles the Arkansas-Texas state line, staged a four-day fire safety campaign, with the Arkansas and Texas Fire Prevention Assns. which sent 89 inspector-members into the city, 50 from Texas, headed by President Charles Blandford, Dallas, and remaining 39 from Arkansas, headed by John M. Miller, Little Rock, president. The Arkansas and Texas men were teamed together. Most teams consisted of one Texas inspector and one from Arkansas, and the inspection assignments of many of the teams crossed back and forth over the state line.

Richard E. Vernor, Western Actuarial Bureau, addressed the Rotary Club on the opening day and also spoke before the combined group of inspectors, city officials and fire department personnel at a dinner.

The antics of "Stupid Carelessness, the Fire Clown," were witnessed by 5,500 school children in seven presentations of the Arkansas association's fire safety show, staged jointly by its executive secretary, Carl S. Smalley, and Henry A. Ritgerod, public relations chairman. Fire prevention films were also shown before most of the schools. Each state association contributed the services of its Fifth Horseman, Fred Pierce, Dallas, and Louis P. Cryer, Little Rock.

Two radio round table discussions of the inspection campaign and its progress were given over station KCMC. The Texarkana local board entertained the Texas and Arkansas inspectors at a dinner.

Wisconsin Group Completes Third Fall Town Inspection

Wisconsin Fire Prevention Assn. has completed its third town inspection of the fall season. The association has inspected Wisconsin Dells, Watertown and Sheboygan. Carl Schaefer, National Union, was chairman of the scout committee for Wisconsin Dells; Al Larson, Fireman's Fund, acted in that capacity for the Watertown inspection, and Robert Hafner, Commercial Union, was chairman for Sheboygan.

I. F. Stutz, fire prevention supervisor for the Wisconsin Industrial Commission, was speaker at Wisconsin Dells and Watertown, and J. R. Lossman, state agent of National Union, was speaker at the Sheboygan inspection.

Atlas Names Sherron in S. C.

Clarence T. Sherron has been named special agent in South Carolina and western North Carolina for Atlas, replacing Robert L. McCrady, who has resigned to set up an independent adjusting business at Columbia, S. C.

Mr. Sherron has been with the Trust Company of South Carolina agency at Hartsville. His new headquarters will be in the Liberty Life building, Columbia.

To Inspect Public Buildings

ST. LOUIS—Missouri Fire Prevention Assn. at the request of St. Louis County Chamber of Commerce, will inspect all public buildings in St. Louis county Nov. 29-30. It will not include hospital properties. The program has the sanction of Western Actuarial Bureau.

Sale Virginia State Agent

W. Andrew Sale has been appointed state agent in Virginia for the St. Paul companies, succeeding J. A. Belmeur, who died Nov. 6. Mr. Sale is a native of Virginia and a graduate of William and Mary College. He has had many years experience in insurance and for the past two years has been associated

with Mr. Belmeur as special agent. He will continue to maintain his office in Richmond.

Heart of America Plans

The Heart of America Blue Goose (Kansas City) will hold its semi-annual business meeting and initiation Nov. 28. The business meeting and initiation will be preceded by a social hour and dinner. The goslings to be initiated are: Phillip H. Bevan, Aetna Fire; Adley H. Caldwell, Kansas Inspection Bureau; Geo. W. Goedeke, Aetna Fire; Walter Cedorholm, American; Fred H. Calvin, Kansas City F. & M.

Dyersburg, Tenn., Inspected

A successful, two-day inspection of Dyersburg was held by Tennessee Fire Prevention Assn. A movie projector, recently purchased by the association, was used for the first time at Dyersburg in showing two fire prevention pictures.

Sponsor Seminar in Ga.

The Field Men's Club of Georgia conducted a seminar for local agents at Albany. The meeting was the third of a series sponsored by stock fire insurance company field men this year. Speakers included: Marion E. Bleakley, Phoenix; C. R. Durden, National Automobile Underwriters Assn.; George H. Corry, Commerce, and Sam E. Taylor, Seibels, Bruce & Co.

N. J. Field Men to Meet

New Jersey Fieldmen's Assn. will hold a luncheon meeting at Newark Nov. 28. A technicolor film, "Of This We Are Proud," will be shown.

Watson Named in Conn.

American has appointed Wayne W. Watson as special agent for Connecticut. Mr. Watson graduated from the University of Illinois. He served with the army during the war and has completed

special training in the education department at the home office, combined with experience in several home office departments. His headquarters will be at Hartford.

Penn Pond to See Fire Films

J. Ray Hull, most loyal grand gander, will be guest of honor at the November 28 meeting of Penn Pond Blue Goose at Philadelphia.

Feature of the meeting will be the ture films of large Philadelphia fires made by Battalion Chief Joseph Gindele of the Philadelphia Bureau of Fire.

Hanover Names Henze

Francis Henze has been appointed Wisconsin state agent for Hanover, associated with State Agent R. T. Gravenstine. Mr. Henze has traveled the Wisconsin field for 23 years. His headquarters will be at Milwaukee.

Aetna Transfers Cortright

James B. Cortright, special agent for Aetna Fire at Harrisburg, Pa., has been transferred to the western Pennsylvania territory associated with R. W. Gillespie, state agent, with headquarters at Greenville.

J. Ray Hull, vice-president of American States and most loyal grand gander of the Blue Goose, will be honored at the New York City Pond dinner at the Drug & Chemical Club Nov. 30.

Speaker at the November 29 meeting of Anthracite Field Club of Pennsylvania, will be Carlon O'Malley, district attorney of Lackawanna county. Mr. O'Malley will discuss his experiences in arson cases.

The Christmas party of Heart of America Blue Goose at Kansas City will be held the evening of Dec. 10.

Bond Pa. Turnpike Project

American Casualty has executed three bonds totaling \$7,354,989.80 covering

highway construction in Pennsylvania. The bonds were developed by W. Stewart Taylor of Harrisburg and cover highway construction being done by C. W. Good, Lancaster.

The largest bond in the amount of \$4,002,734.76 covers contract for construction of the Pennsylvania Turnpike which will be a toll highway linking Pittsburgh and Philadelphia. C. W. Good is installing other sections of the highway, all of which has been bonded for him by American Casualty.

Johnson Succeeds Unsinn as New Zealand Comptroller

Roy V. Johnson has been appointed comptroller at the San Francisco head office of New Zealand, South British and Balise Marine. Mr. Johnson, who has been assistant manager of Joseph Froggatt & Co. at San Francisco, succeeds John R. Unsinn, who will retire next year under the company's pension plan.

Mr. Johnson has been with Froggatt & Co. since 1941, and previously was in the accounting department of Pearl and the Shell Oil Co. At one time he was with John Hancock Mutual Life.

Mr. Unsinn joined New Zealand in 1906 after four years with the Gutte & Frank general agency at San Francisco for Fire Association.

Henderson Chief Accountant

Georgé O. Henderson has been promoted to chief accountant. He started his insurance career in 1925 with Continental Casualty at Chicago, and moved to California in 1938 with Pacific National. He joined New Zealand in 1944 and became chief accountant in 1945.

Jacobus H. Vandenbroek has been named assistant chief accountant succeeding Mr. Henderson. He has been an accountant since 1939 and since the war was chief accountant for A. B. Knowles & Co. until joining New Zealand in 1949.

Samuel S. Sibbs, Jr., claims superintendent, has been given the additional duties of office manager. He started with New Zealand in 1948 after having been on the coast with Crum & Forster.



"He says the Central will do practically anything for its policy-holders."

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AND BROKERS

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DIVIDENDS
TO
PROPERTY
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SINCE
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The Central

MANUFACTURERS' MUTUAL
INSURANCE COMPANY
Van Wert, Ohio

Mutual Group Holds Claims Session

(CONTINUED FROM PAGE 9)

does not participate in the profits of the main farm and has no voice in its management. Mr. Collins said his conclusion is that while working on the main farm, a tenant is an employee, but if hurt by the landlord's machinery while working on his own acreage, he would not be an employee in the course of employment.

Machinery Accidents

A situation that is receiving a great deal of farm safety publicity is that of the farm hand or employee sustaining injury while attempting to clean or repair farm equipment. On common law grounds, courts have frequently held that the danger involved in attempting to clean machinery in motion is such that it must be apparent to any ordinary person. However, in Iowa the statutes deny the defense of contributory negligence to an employer sued by an employee for injuries occurring in the course of employment. This recourse can be used only to mitigate damages.

Mr. Collins pointed out that until manufacturers place some sort of safety device on some of the farm machinery causing accidents, it can hardly be conceivable that the purchaser and owner of such machinery could be considered negligent and responsible to his employees for the absence of safety devices.

Urges Responsibility Laws

A devastating attack on automobile compulsory insurance and state-fund legislation was delivered by Charles B. Robison of the Chicago law firm of Ekern, Meyers & Matthias.

In an orderly and detailed fashion, Mr. Robison dissected the Saskatchewan compulsory state fund and the Massachusetts compulsory liability law. He listed in detail the evils of compulsory

insurance and pointed out that the model type of financial responsibility legislation provides a moral compulsion upon the automobile owner to procure insurance. The emphasis under the responsibility laws is safety on the highways and not compensation for all through insurance on registered motor vehicles.

This distinction is highly important, he declared, and is the basic reason why safety responsibility legislation has been preferred. Experience in the states using model legislation shows that the safety problem can be solved through this method, rather than compulsion. The percentage of insured registered has risen to 85% or greater and assigned risk plans operated by the companies make it possible for all but the obviously unfit to secure automobile insurance.

Were all the states to adopt such legislation, there would be no practical need for more drastic, unfair and wasteful compulsory laws, nor their vicious counterpart, monopolistic, socialistic state funds, Mr. Robison declared.

Auto P.D. Claim Costs

Relief is in sight from the high cost of automobile property damage claims and methods designed to help that relief along were given by Julian E. Smith, claims attorney for Equity Mutual of Kansas City.

The primary cause of higher property damage costs has been inflation, and Mr. Smith predicted that in the near future a decrease in the cost of labor and materials is in the offing. He recalled that he had a discussion a while back with a repair shop owner in Kansas City and found that the labor situation is much improved and the pay rate is on the decline.

From the company standpoint, Mr. Smith recommended the use of staff adjusters wherever possible. Any company having enough business to justify one or more staff adjusters in a locality will save money as against using independent adjusters or attorneys. The company men are better trained for their particular work and do it more quickly and efficiently. Among the advantages are lower fees, more attention given to property damage claims than would be by attorneys, and more familiarity with property damage cost items.

Agents in Claim Picture

Agents should be instructed carefully in claim reporting procedure, and Mr. Smith stated that on the small property damage losses the agent can be instructed to handle a claim entirely. Equity Mutual provides its agents with claim forms, and if the report indicates injuries, the local adjuster or attorney takes over. In cases above \$50 with no injuries involved, the home office property damage supervisor handles the claim by correspondence.

Mr. Smith urged prompt and reasonable settlement of all cases where liability is proven. Where there is no liability, the company is quick to deny, but before taking a definite position, attempts to get a non-injury statement. Many an unjustified property damage claim has been paid because of a bodily injury claim threat, he noted.

Competition between repair shops is easing the high cost situation in that field, and discounts of 10 to 15% are now available. Companies should begin to insist on discounts, he asserted, even though it may not be 100% effective, on the theory that if the shops are pressed by all the insurance companies, results will be more quickly obtained.

Legal Costs Reviewed

Joseph M. Bray, assistant claims manager of Harleysville Mutual Casualty, discussing litigation legal expenses, noted that there has been a sharp upward trend for P.D. and B.I. Liability case legal expenses are 50% above the prewar period, he noted, on the basis of

his company's experience. Lawyers are asking for higher fees in line with the general trend of the increased cost of living.

While the legal costs have risen, in the general claim picture there has been a decline. Harleysville Mutual Casualty before the war had a 7.7% legal cost in the gross loss distribution for liability cases and now that figure is 5.7%. Mr. Bray remarked that if the adjusters are on the job and doing their work effectively, there is less litigation.

Other speakers at the two-day session were William P. Harper, Farm Bureau Mutual of Ohio, whose talk was reported last week; Berthold Woodhams, Citizens Mutual Auto of Michigan; H. E. Olerich, Iowa Mutual Liability; Arthur Brenneman, State Farm Mutual; M. E. Foltz, Farm Bureau Mutual; William P. Jamieson, Auto Owners of Lansing; Frank A. Ellis, Farmers Mutual Liability of Indiana, and G. F. Alcott, State Farm Mutual.

Visitors from National Assn. of Mutual Insurance Companies were E. J. Brookhart, vice-president of Celina Mutual Casualty and vice-president of N.A.M.I.C.; Harry Cooper, association secretary, and William F. Steinmetz and Russell Heston, assistants to Mr. Cooper.

It was announced that the next meeting will be an underwriting forum March 9-10 at Chicago.

Salvage and Subrogation

F. A. Ellis, claim manager of Farmers Mutual Liability of Indianapolis, gave a talk on salvage handling. He said prices are down and the older and poorer salvage items are hard to move except at very low figures. Hence competitive bids are required and the more bidders, the better. The insured is often the best prospect for salvage.

He spoke on subrogation procedures saying that close attention to subrogation may well mean the difference between a satisfactory and unsatisfactory loss ratio. Every adjuster should be asked to comment on subrogation possibilities in his first report. Once he has indicated that such possibilities exist, the files should not be closed until the question of subrogation has been resolved.

Notice of subrogation interest should be served as soon as possible in order to prevent settlement directly with the policyholder which might be made in full and ignorance of the subrogating company's interest. This is particularly true where the party at fault has no insurance and must obtain a release from the policyholder to comply with the financial responsibility laws. Such notice should not be sent without sufficient information as to the liability, particularly where possible bodily injury claims are indicated.

Assignment of Risks

At the time payment is made, an assignment of rights should be taken from the policyholder. If payment is made through the agent, the latter should be instructed regarding proper execution and prompt return of this instrument.

On receipt of the release, proof or subrogation receipts, formal demand for payment should be made. The formal letter demand is usually followed by another letter in 15 to 30 days, or by personal contact by the field

John D. Pearson to Bureau Post

INDIANAPOLIS—John D. Pearson has resigned as Indiana state agent for St. Paul Fire & Marine.

He will take over the office of the late George E. Traut, which acts as manager for the assigned risk bureau, Hoosierland Rating Bureau and A.B.C. Company which operates a loss reporting service for automobile insurers.

Prior to going with the St. Paul companies, Mr. Pearson served for four years as insurance commissioner for Indiana. He had previously traveled in Indiana for North America and was state agent of Glens Falls when he became commissioner.



John D. Pearson

San Antonians Honor Stiles

At a meeting of San Antonio Insurance Exchange Frank C. Gittinger paid tribute to W. L. Stiles, Piper-Stiles agency, past president of the exchange and of the Texas Assn. of Insurance Agents, who has just observed his 85th birthday. Mr. Stiles, who was a charter member of both organizations, is still active and vigorous mentally. Mr. Gittinger spoke of him as the most revered member of the San Antonio Exchange.

Secretary F. F. Ludolph announced several changes in San Antonio agencies and G. W. Fullbright, Battalion chief of the San Antonio fire department and director of visual education for the department, gave a demonstration of the problems and dangers in the handling of gasoline.

adjuster. If there are no results, then the claim is referred to attorneys. Suit should not be filed except where careful consideration has been given to all factors and every effort toward reasonable settlement explored. The filing of suits promiscuously will likely result in retaliation by the other insurers.

He said there are many arrangements of convenience whereunder subrogation matters are handled on a 50%, 66-2/3, 75 or 100% basis. The best thing about such agreements is they show that the companies want to work out problems between themselves on a co-operative basis.

Last spring a movement was started within Indiana Casualty Adjusters Assn. to sponsor an arbitration plan for subrogation claims between companies. The plan that was submitted provided that the signatory companies agreed to forego their right to sue at law, any subrogation claim up to \$1,000 on auto and compensation matters arising in Indiana, and on any other claim by agreement. It is provided that such claims be submitted for arbitration before a board selected from the members. More than 20 companies have accepted the plan, and it is now in operation. There is a seven man committee and three members are selected to sit on each case.

Year in and year out
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U. S. F. & G. Capital to Be Increased to \$14 Million

BALTIMORE—U. S. F. & G. directors Wednesday took action to increase outstanding capital from \$10 million to \$14 million, partially by the payment of a stock dividend and partially by the sale of additional shares through subscription to present shareholders.

A stock dividend of 100,000 of the \$10 par value shares will be paid to stockholders of record Jan. 13. This is at the rate of one share for 10 and that will increase capital by \$1 million.

Also there will be offered to stockholders of record Jan. 13 rights to subscribe for an additional 300,000 shares, this being at the rate of three new shares for each 10 then held. The purchase price is to be determined later. The subscription warrants will be mailed on or about Jan. 16. The rights will not apply to the 100,000 shares that constitute the stock dividend. The sale of the 300,000 shares will increase the capital by \$3 million.

It is expected that the \$2 annual dividend rate will be maintained, but the company made no official announcement on this point.

The authorized capital of U. S. F. & G. is 2½ million shares of \$10 par value. Presently there are 1 million outstanding and when the new program is completed there will be 1,400,000 outstanding.

The quarterly dividend on the present shares of 50 cents was declared, payable Jan. 16 to stock of record Dec. 23.

Opens New Haven Office

Preferred Accident has opened a service office at New Haven and named Clifford J. Johnson manager. For the last seven years he has been a field man in Connecticut and Rhode Island. He graduated from Boston University and has been in the casualty business for 24 years.

N.W.F.&M. to Celebrate

MINNEAPOLIS—Northwestern Fire & Marine will hold a 50th anniversary banquet Nov. 30. All home office employees and field men will be guests. The banquet will be part of a three day sales conference.

Urge York-Antwerp Rules

The American Institute of Marine Underwriters at its annual meeting adopted a resolution recommending the general use of revised York-Antwerp rules as a step toward international uniformity of maritime law. The general adoption of the rules will make it possible for general average adjusters throughout the world to make their ad-

justments on a uniform basis and should result in eliminating inequalities and unifying and simplifying adjustments in all countries, according to Ernest G. Driver, secretary.

The present revision will eliminate the discord that has arisen since the rules were revised at Stockholm in 1924. As a result ships flying European flags and British and American flags were following different rules.

Truck Loss Prevention Bureau Organized at New York by Babaco

Cargo Protection Bureau, a national educational and research organization to operate in the loss prevention field, has been organized at New York by Babaco Alarm Systems, manufacturers of truck burglar alarms.

The new bureau, which will be underwritten and staffed by Babaco personnel, will accumulate statistics on truck cargo thefts and other data which can be used by all interested parties to aid loss prevention activities. The bureau will issue periodic bulletins noting trends and developments in crime affecting transportation. In addition, copies of the bureau's loss reports will be made available to truckers and shippers for display on bulletin boards at trucking terminals. The bulletins are expected to serve as reminders to drivers and dispatchers of the need for vigilance against theft and hijacking.

Jack Seide, president of Babaco, said that prior to formation of the loss prevention setup, he had discussed development of the service with leaders in the industries concerned, and declared that he had been assured of the cooperation of shippers, truckers and their trade associations, insurance agents, loss prevention engineers, law enforcement officers, and other interested parties.

County Mutuals in Mo. Are Multiplying Rapidly

There have been formed numerous county mutual companies in Missouri in recent times. These companies are virtually free from regulation and their area of operation is the county in which they are located and contiguous counties. Some interests have been forming numerous such companies throughout the state and as a result, they are able to operate on a statewide basis. Their writings are not confined to farm business, by any means. As a matter of fact, this is not the field that is selected by the originators of many of these new companies. They are branching out into all lines including taxis and other difficult risks.

Carson Talks at Richmond

Ellis H. Carson, president of National Surety, was the principal speaker at the Richmond Insurance Club conference at Richmond, Va. Mr. Carson viewed recent progress in the insurance field, citing particularly the question of state control versus federal control.

R. Coleman Rice was elected president; A. D. Fonville, first vice-president; Thomas L. Cockrell, second vice-president; Jack Derrickson, secretary, and Joseph Cralle, III, treasurer.

Other speakers were J. O. Honeywell, assistant secretary New Amsterdam Casualty, James Swan, Chautauqua Lake, N. Y., and Sherwood Reeder, city manager.

Department Rulings Discussed

W. J. Franklin, Bankers Life & Casualty, addressed H. & A. Home Office Underwriters Round Table of Chicago at its November meeting on "Current Trends in Policy Forms," in which the main discussion involved the various inconsistencies and special rulings of the different state departments. Considerable time was devoted to some department's attitude toward franchise

business, in which they classed it virtually the same as standard group.

Mrs. J. K. Walker, whose husband is head of the Moore, Case, Lyman & Hubbard agency of Chicago, died at the Walker home at Hot Springs, Ark., after an illness of about two years.

Schryer Putnam Co. Speaker

R. R. Schryer of Lima, fifth district trustee of Ohio Assn. of Insurance Agents, spoke at the meeting of the Putnam County association at Continental Nov. 16.

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EDITORIAL COMMENT

Need for Cooperation With Doctors

Superintendent Dineen's exhortation to the life insurance business to name an expert who could give the benefit of life insurance know-how to congressional leaders interested in social insurance coverages could well be extended to the need for having a spokesman of outstanding ability who could represent all branches of insurance in the delicate matter of getting the doctors and the insurers together on some kind of workable basis. "Insurers" would have to include not only companies but Blue Cross and Blue Shield as well.

Some such basis is vitally necessary to knock the props out from under the do-gooders who say that the British type of compulsory health service is the only way of giving adequate medical care to those who are not getting it. If the doctors are not pushed into the British type of arrangement and the insurance companies are not to see the government take a long and important step in the invasion of the domain of private insurance, the doctors and the insurance companies have got to get together on some arrangement that will permit the bulk of the population to insure against the cost of medical care, leaving only the indigent for the government to worry about.

Before that can happen there must be on both sides an attitude of open-mindedness and willingness to compromise for the sake of the goal to be achieved. But before we can hope for that attitude an atmosphere of mutual respect and confidence must be built up. Arm's-length negotiations will get nowhere if each side feels that the other is out to get all it can and concede little or nothing in return.

Too many insurance people feel that the doctors are stubbornly devoted to the grading of fees according to the patient's income, the traditional medical procedure that is the biggest hurdle in providing insurance against medical care. Too many doctors think that insurance men are mainly out to make a fast dollar. Only in an atmosphere of mutual trust and respect will it ever be possible for doctors to think seriously of modifying their traditional fee basis to make insurance practicable and for insurance people to put the ultimate goal above immediate profit. Both parties must be motivated by a genuine desire to make a real contribution to the public welfare but of course neither side wants to make all the concessions while feeling that the other is getting all the gravy. That is why it is vital to build up this atmosphere of mutual confidence,

for without it each side is going to think that the other is getting the best of the deal.

Promoting this relationship between the doctors and the insurers is a full-time job for a man of top caliber. Not only must he have the ability to inspire confidence but he must have the ungrudging support of the insurers he represents so he can pledge their effective backing.

An important contribution has already been made by the Health Insurance Council, through which all the companies writing disability business endeavor to improve relations between the doctors and the insurance business. The council a few months ago brought out a report that showed in detail just how much in the way of coverage was already being provided by existing private agencies. Previously no figures had been available on the whole picture. The report is an example of what needs to be done but there is vastly more that needs doing.

In view of the present lack of unanimity among insurers on what stand to take on medical care insurance the first step would undoubtedly have to be a program of education among them to convince them of the advisability of going along with a medical care program and doing so on a long-range, broad-gauge basis, shaving expenses to the minimum.

As an example of what can happen when this attitude does not prevail is the present highly unsatisfactory hospitalization benefit added to the California cash sickness law. The companies, by fighting a rear-guard action to keep the status quo for two more years, found themselves saddled with a type of hospitalization benefit that neither they nor any other party at interest wanted. If they had been willing to compromise earlier in the negotiations it is believed they would have settled for an increase in the benefit limit from the old \$25 weekly figure to \$30 or at the most \$35.

In dealing with doctors, much work will have to be done at the community level. An example of this in the hospitalization field was the successful effort of companies to get the Chicago hospitals to accept insurance certificates on the same basis as Blue Cross cards. A similar plan is in the works in Milwaukee.

It will not be easy to get the doctors to modify their long-standing system of grading their fees according to the patient's income. Yet it is obvious that this plan is incompatible with any known

system of commercial insurance. To set up a system to cover people earning, say, less than \$3,000 a year, is no answer to the threat of socialized medicine. In a given community there might be only a small percentage making less than \$3,000 a year and still able to afford the medical care insurance premium.

The answer plainly is some plan that will permit patients, no matter what their incomes, to pay their premiums and be covered for complete medical care. It's not going to be easy for either the doctors or the insurers to work out a practicable plan. But it may well be the only alternative to nationalized medical service, which politics and bureaucracy would make far more unpalatable to the doctors than anything the insurance companies would think of proposing.

Some insurers, particularly in the company field, may feel anti-trust qualms about getting together in what might look like a big combine. But it must be remembered that the insurance business is in a "damned if you do and damned if you don't" position. The welfare-state boys aren't going to fight fair and the insurance business might as well get used to it. If the insurers and the doc-

tors show signs of coming up with a workable plan the welfare-staters may very well try to needle the anti-trust division of the Justice department into action.

But on the other hand, if the doctors and insurers don't come up with such a plan the Washington planners will continue to point the finger of scorn and shout that private enterprise has shown itself hopelessly inadequate to meet the situation.

Some insurance company executives may question the wisdom of making common cause with non-profit organizations of the Blue Cross and Blue Shield type. But these organizations are firmly entrenched in a big way. If the companies ever had a chance of preempting that field it has long since vanished. Even assuming that the final arrangement is something along Blue Shield lines and that the companies never write a dime's worth of medical care insurance, it would obviously be far better for the country and the insurance business than a politics-ridden bureaucracy that we would be saddled with if the exponents of the welfare state succeeded in putting over a British-type medical care plan.

PERSONAL SIDE OF THE BUSINESS

Joseph M. Crowley was feted at a reception marking the completion of 50 years as secretary of Mutual Savings & Loan Assn. of Milwaukee. He has also been a local agent there for more than 35 years. He served in the Wisconsin legislature in 1903 and 1905 and was deputy city comptroller in 1909. He is presently treasurer of Wisconsin Savings & Loan League.

A. B. Jackson, president of St. Paul Fire & Marine, will preside at the annual dinner of the national conference on municipal government to be conducted by National Municipal League at St. Paul Nov. 28-30.

A. E. Gilbert, executive vice-president of American International Underwriters that are foreign managers for a group of American companies, left New York by airplane, for an extended trip to France, Israel, Turkey, Greece, Lebanon, Syria, Germany and Italy. Mr. Gilbert will study the possibilities of providing for coverage to American interests in those countries. Mr. Gilbert expects to be away until the latter part of December.

Charles E. Rollins, honorary chairman of the Rollins-Burdick-Hunter Co. agency of Chicago, has finally acknowledged that summer is over and has left his place at Green Lake, Wis., and is now residing at his Chicago home for a time. He plans as usual, to go to his winter place at Melbourne, Fla., in January. While at Chicago, Mr. Rollins goes to the office occasionally and makes the rounds of his old insurance friends. This is the latest in the season that he has ever remained in the north country.

Charles P. Butler, executive vice-

president National Assn. of Insurance Agents, who was laid out last week with a chest cold, is now back at the office in prime condition.

W. B. Gasche is completing his 50th year as president of Alliance Co-Operative of Topeka. Although he has not been to the office for some years he still keeps in touch with the business.

Flamen Aday, prominent local agent at Miami Beach, presided at the convention of National Boxing Assn. at Havana, Cuba, as the outgoing president.

Lafayette Fariss, local agent at Giddings, Tex., since 1932, and Mrs. Fariss were honored by 250 friends and relatives on their golden wedding anniversary. Mr. Fariss is 77 and Mrs. Fariss 72.

Friends of Will M. Keller, Palestine, Tex., past president of Texas Assn. of Insurance Agents, are receiving a signal honor. Mr. and Mrs. Keller are developing a real estate project near Palestine and have named the principal streets after some of their friends in the Texas association.

Some of the street names in the new subdivision are: Daniel street (John W. Daniel, executive secretary Houston Insurance Exchange); Drexel street (Drexel G. Foreman, Ft. Worth, executive secretary of the Texas association); Fitzhugh street (T. Champ Fitzhugh, Waco, past Texas president); Gambrell street (Eric C. Gambrell, Dallas, past president); Gillis street (Charles S. Gillis, Ft. Worth, past president); Greever street (B. B. Greever, Wichita Falls, past president); Ludolph street

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(Francis Ludolph, secretary, San Antonio Exchange); Marion street, (Mrs. Foreman); Trimble street, (Russell R. Trimble, San Angelo, president Texas association); Ragland street (Alfonso Ragland, Jr., Dallas, and Mitchell Ragland, Paris, Texas association director).

DEATHS

Mrs. Fred Lanagan, whose husband is president of the Daly General Agency of Denver, died following a long illness. She was well known to many insurance people throughout the country as she accompanied her husband to conventions.

John C. Duffey, 58, local agent at Logansport, Ind., who had been in the insurance business there since 1921, died of a heart attack at his home.

John S. Frazer, 88, for many years a local agent at Mt. Sterling, Ky., is dead. He was cashier of Exchange Bank of Kentucky for many years.

Ernest E. Yates, 65, a claim adjuster for Washington National, died at the home of his son, Edward G. Yates, near St. Louis. He had been ill since May, 1948, when he suffered a stroke at his office.

E. Willard Blackmore, 79, a deputy in the Missouri department at St. Louis for four or five years and one-time Broadway actor, died at his home there of a coronary occlusion. He was in charge of checking the securities deposited with the department under the registered policy laws.

C. H. Montgomery, 63, broker with Johnson & Higgins, New York City, died at his home in Brooklyn.

Lawrence J. Morris, 79, former assistant treasurer and secretary of Mutual Assurance of Philadelphia, died. He served with Mutual Assurance from 1934 until 1946.

H. M. Picard, who operated a local agency at Peshtigo, Wis., under his own name from 1911 until he retired in 1936, died at his home there at the age of 81. He was one of the leading citizens of that place. The agency has been conducted for the past several years by his son-in-law, C. G. Brabender, assisted by Mrs. Brabender. Another daughter, Mrs. F. J. Pocquette, is the wife of the western field manager of the Meserole companies at Chicago.

James R. Hobbins, president of the Anaconda Copper Mining Co., who died of a heart attack at Butte, started his business career as a field man for a fire insurance company in Wisconsin during the 1904 and 1910. He was a charter member of the Blue Goose.

Henry A. Taylor, Sr., 48, co-owner of the Starr Thompson Insurance Agency, Henderson, Ky., died of cancer. He was a newspaper man before entering insurance.

John H. Dickey, 83, partner in the Barret, Robinson, Dickey & Swope agency, Louisville, died after an illness of about three years. He went to Louisville in 1905 and was in life insurance until 1918, when he entered the general insurance field.

Archie W. MacKay, local agent and broker with offices at 1418 Central street, Evanston, Ill., apparently was drowned in Black Lake near Holland, Mich., Sunday in a mysterious boat accident. He had a cabin cruiser that was based at Black Lake and he had gone there to put the boat up for the winter but, before doing so, took the craft out into the lake. The boat was discovered on a reef with its gasoline supply exhausted and his body was recovered the next day. His age was 50 and he had been in the insurance business about 20 years. At one time he was a salesman for Lumbermen's Mutual Casualty. His son, Donn MacKay, and his daughter-in-law were associated with him in his agency. When Mr. MacKay severed his connection with Lumbermen's Mu-

tual Casualty, that company secured an injunction to restrain him for three years from soliciting the L.M.C. business that he had procured as an employee of the company.

Mr. MacKay's chief company had been Wolverine, but he also had connections with Hartford Accident and other companies.

Joseph Klepic, 66, for many years a local agent at Joliet, Ill., died at his home.

Walter Westphal, 67, Jersey City insurance broker, was found dead in the kitchen of his apartment with the gas jets of the stove open. Police listed the death as suicide.

J. Elmer Meranda, 80, partner with his brother in the Jackson Center Insurance Agency, Jackson Center, O., died there.

Much Interest in N. C. Rate Hearing Nov. 29

RALEIGH—So much interest has been manifested in a rate hearing set for Nov. 29 that the North Carolina department has spoken for bigger quarters in which to hold it.

N. Car. Fire Insurance Rating Bureau proposed reductions on most fire lines, and the department estimated these would bring annual premium savings of \$1,288,904. On a few lines, however, increases were proposed estimated to add a total of \$99,472 to the premiums paid by the affected groups.

The latter have demonstrated much interest in the proposals, and their inquiries resulted in the decision to move the hearing to the senate chamber.

Lines on which increases were proposed are theaters, metal workers, cotton gins, canning plants, and peanut factories. There would be no increase for any of these which are equipped with automatic sprinklers and are of fire resistant construction.

Cheney Prouty and **Cliff Tozier** have been appointed chairmen of the safety and aviation committees respectively of the Kansas City (Kan.) Chamber of Commerce. Mr. Prouty is vice-president of Kansas Assn. of Insurance Agents and Mr. Tozier president of the Kansas City association.

Melvin J. Miller, Fort Worth, vice-president of the National Assn. of Insurance Agents, was scheduled to return home this week from the Mayo Clinic at Rochester, Minn., where he recently underwent an abdominal obstruction operation. He is well on the way to recovery.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, Nov. 21, 1949

	Par	Div.	Bid	Asked
Aetna Casualty	3.00	.92	34	34
Aetna Fire	2.00	.59	61	61
Aetna Life	2.50	.77	79	79
American Alliance	1.10	.24	25 1/2	25 1/2
American Auto	1.60	.49	Bid	Bid
American Casualty	.80	.14	15 1/2	15 1/2
American (N. J.)	.90	.21	22	22
American Surety	2.50	.59	61	61
Boston	2.40	.68	70	70
Camden Fire	1.00	.22	23	23
Continental Casualty	2.50	.61 1/2	63	63
Fire Association	2.50	.71	73	73
Firemen's (N. J.)	.60	.19	20	20
Glens Falls	2.00	.52	54	54
Globe & Republic	.50	.11 1/2	12 1/2	12 1/2
Great Amer. Fire	1.30	.36	37 1/2	37 1/2
Hanover Fire	1.40	.33	34 1/2	34 1/2
Hartford Fire	2.50	.71	73	73
Home (N. Y.)	1.40	.33 1/2	34 1/2	34 1/2
Ins. Co. of North Am.	3.50	.118	120	120
Maryland Casualty	.50	.18	19	19
Mass. Bonding	1.60	.29	31	31
National Casualty	1.45	.29 1/2	30 1/2	30 1/2
National Fire	2.00	.58	60	60
Natl. Union Fire	1.40	.38	40	40
New Amsterdam Cas.	1.20	.37	38 1/2	38 1/2
New Hampshire	2.00	.44	46	46
North River	1.20	.27 1/2	28 1/2	28 1/2
Ohio Casualty	1.20	.53	Bid	Bid
Phoenix, Conn.	2.00	.95	97	97
Prov. Wash.	1.40	.35 1/2	37	37
St. Paul F. & M.	2.50	100 1/2	103	103
Security, Conn.	1.40	.37	38 1/2	38 1/2
Springfield F. & M.	1.90	.48	50	50
Standard Accident	1.45	.35	36	36
Travelers	22.00	.834	840	840
U. S. F. & G.	2.00	.59	61	61
U. S. Fire	2.00	.63	65	65

*Includes extras.

Chicago Board Centenary Dinner Brilliant Event

The banquet Tuesday evening marking the 100th anniversary of the Chicago Board was a brilliant, impressive, and dignified occasion, and one that was replete with sentiment. It was a highly representative congregation of the Chicago insurance fraternity with more than 800 dining. The head table group numbering about 60, consisting of leaders in the board, its past presidents, organization presidents, and public officials was divided into two tiers.



Oscar E. Aleshire

Senator Byrd of Virginia was the principal speaker and he won the audience with a powerful appeal for this country to avoid taking steps that will commit it irrevocably to state socialism. He said that there are three key measures that if inaugurated can well send this country down the socialistic road at an accelerated pace, they being socialized medicine, socialized housing and socialized farming.

The most thrilling feature of the evening was the appearance of Oscar E. Aleshire, who was president of the Chicago Board 1918 to 1920 and who, on Nov. 29 will be 88 years of age. He journeyed to Chicago from Helena, Mont., where he has been making his home, as his daughter and her family reside there. Without benefit of notes he spoke in a clear, strong voice and delivered a fervent patriotic message that brought the crowd to its feet in a prolonged ovation.

Lederer Gives Historical Talk

Emil L. Lederer of Stewart, Keator, Kessberger & Lederer Agency, who is the president of the board in this centenary year, led off with an historical talk and comment on the place that the Chicago Board has occupied in the life of Chicago. John L. Clarkson of the Bartholomay-Clarkson agency served as master of ceremonies and there were messages from Sherwood Dixon, lieutenant governor of Illinois, and from Insurance Director Hershey.

Of the living past presidents all were present except Clarence S. Pellett, who was president in 1899 and again in 1911-12 and who had just been taken to his home from the hospital where he had undergone an operation, and Charles Buresh, formerly of Fred S. James & Co., who is in Florida. The past presidents that were on hand included, in addition to Mr. Aleshire, Allan I. Wolff, August Torpe, Jr., Fred J. Sauter, Chester Hayden, R. N. Cunningham, Walter M. Sheldon, John A. Naghten, L. P. Warren. One of the head table dignitaries was O. Shaw Johnson of Clarksdale, Miss., president of National Assn. of Insurance Agents, who was on his way home from a meeting of the N.A.I.A. executive committee and chairmen of standing committees at New York.

The program was run off flawlessly, the timing was excellent, and this will go down as one of the most memorable events in Chicago insurance history.

Pratt Joins Kemper Group

Lewis A. Pratt, for the last three years casualty brokerage manager for American International Underwriters, has joined the New York state special risk department staff of the Kemper group. Earlier he was a branch underwriting manager for American-Associated. He entered the business in 1931 with Sun Indemnity.

Iowa Farm Bureau Parley

Iowa Farm Bureau Federation will hold its annual sales conference at Des Moines Nov. 28. Field representatives of Iowa Life, Iowa Farm Mutual and Iowa Mutual Hail will attend the meeting.

Speakers will include Donald Kirkpatrick, general counsel of American Farm Bureau Federation; Keith Myers, manager of the Iowa Farm Mutual and Iowa Mutual Hail, and John Weaver, manager of Iowa Life.

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Takes Measured Look at Multiple Line Prospects

**Cahill Sees Omnibus
Specified Perils Policies
on Schedule Basis**

NEW YORK—A down-to-earth forecast of what changes may be expected



J. M. Cahill

as companies move to take advantage of the new opportunity for multiple line underwriting was given by J. M. Cahill of National Bureau of Casualty Underwriters in his presidential address at the annual meeting of Casualty Actuarial Society here. By and large, he does not anticipate any sweeping changes soon.

Harmon T. Barber, associate actuary of Travelers, was elected president of the society succeeding Mr. Cahill. Thomas O. Carlson, actuary National Bureau of Casualty Underwriters, and Norton E. Masterson, vice-president and actuary Hardware Mutual Casualty, were elected vice-presidents. Richard Fondiller, consulting actuary of New York was reelected secretary.

Mr. Cahill opined that the development of comprehensive all-risk policies, and particularly if on a single rate basis, will come slowly. It is much more likely that the trend in the foreseeable future will be in the direction of multiple line policies covering specified perils on a schedule basis. There will be some merging of coverages and rating procedures through this package approach, but a rapid development of either all-risk policies or single rate policies is not to be expected.

The obstacles include the fact that a statutory fire policy is prescribed in many states and law amendments will probably be required to make simple all-risk or multiple line policy forms, including fire insurance, on real property, permissible. Also, the premium that would have to be charged for complete all-risk coverage would be too high to be attractive. Again, many assured prefer to spread the expiration dates of their policies throughout the year and installment premium payment methods will, therefore, be necessary.

Another Impediment Cited

Another impediment is the fact that there is no rating organization functioning for both casualty and fire. It would be much easier for rating organizations to cooperate in developing multiple line policies rated on a schedule basis than it would be if the same coverages were to be written on a single rate basis.

It has been possible for years for companies to afford the various automobile coverages on a schedule basis under one policy. This has been satisfactory and no change to a complete single rate basis is anticipated. However, multiple line underwriting will give further encouragement to the use of common classifications, territories, effective date rules and rate revision dates for the several coverages so far as possible.

There will have to be more universal
(CONTINUED ON PAGE 30)

Travelers Health Case May Affect Regulation

Students of insurance regulation are now awaiting the decision of the U. S. Supreme Court in the case of Travelers Health Assn. and R. E. Pratt, as treasurer thereof, vs. Commonwealth of Virginia, with the utmost interest and concern.

The decision could have far reaching effects on the future of regulation of insurance. If the Virginia statute and the order that was issued under it against Travelers Health of Omaha were upheld, it might very well give all the states an opportunity to enact similar legislation and issue orders that would effectively put the kibosh on unlicensed mail order insurance operations. On the other hand, if the decision is adverse to Virginia, the effect might be greater than merely to invalidate the Virginia type of statute as the decision might contain dicta that would cast a shadow on the uniform unauthorized insurers service of process act that was agreed to by the all-industry committee and the commissioners, and that has already been passed in a number of states. If so, that could mean that the states would be without power to deal with unlicensed insurers. Accordingly, there would be little, if any, argument left with which to challenge the jurisdiction of federal trade commission to regulate mail order insurance activities. It would leave a very well defined area of insurance operations in which the states could not assume jurisdiction and this could very well be seized upon by advocates of federal regulation as a ground for federal legislation in this sphere and indeed the logic of the situation might be such that the need for such legislation would be self-evident. Then the fat would be in the fire.

Blue Sky Law Applicable

The Virginia law and the order in the Travelers Health case that was issued under it probably goes farther than the statute of any other state. It consists of a 1942 amendment of the blue sky or securities law in which insurance contracts are defined as securities.

On Jan. 5, 1948 the Virginia state corporation commission entered a permanent injunction enjoining and restraining Travelers Health from offering, advertising, promoting or selling insurance in Virginia until a permit or authorization so to do had been secured from the commission as required by the securities law.

Common Denominator

This is far different, of course, from the substituted service of process measure that is advocated by the all-industry committee and the commissioners. The latter simply undertakes to give a claimant access, in the courts of his own state, to an insurer that is not licensed therein. But the two approaches have a common denominator, in that they assert jurisdiction over unlicensed companies by declaring that the procedures followed by mail order insurers constitute doing business within the legitimate local concern of the state so as to bring the contracting party under the jurisdiction of the state courts. In general, any act of an unlicensed insurer, effected by mail or otherwise, consisting of the issuance or delivery of insurance contract to residents in the unlicensed state, solicitation of such contract, collection of the consideration therefor, or "any other transaction of business," is declared to constitute doing business within the unlicensed state.

Attorney General Goldstein of New York in a petition to file a brief as amicus

curiae in this case, with the New Hampshire and Maryland attorneys general joining in the brief, stated that the inspiration for the New York statute, which is the model measure, is the same as that which prompted Virginia, under her securities law, to assert jurisdiction to restrain transactions of unauthorized foreign insurers, looking to insurance obligations by and to her citizens and effective within her borders. The validity of the New York law is similarly affected by consideration of whether the state has taken hold of a subject in sufficiently direct contact with its proper local concerns within its border.

Physical Presence Argument

The Goldstein brief refers to the argument of Travelers Health that as an absolute requisite there must have been conduct of Travelers Health affairs within Virginia by Travelers Health or its agent physically present.

The Goldstein brief states that this argument puts a premium upon artful avoidance of Virginia's power asserted on behalf of those of its citizens with whom business is done. Care to remain physically within distant boundaries no more confines business activities therein than does the fact that the insured never leaves his home state prevents the making of the contract. Where, by the use of instrumentality such as the mails, an insurer is enabled to project the contracts which constitute the means of doing its business into other states, a fair appraisal of the facts compels the conclusion that it has transacted business therein. The fact that effective and binding contracts come into existence by this means, even though the insured never physically leaves the state of his residence, is ample evidence of real and substantial contact between insured and insurer therein. The independent agency of the post office as effectively accomplishes the out-of-state insurer's contact as does the retained agent who carries the solicitation or the policy to the insured. Indeed, it is the state of the insured's residence which has the most direct interest in the faithful performance of the contract and is most seriously affected by the contract thus effectuated.

Removing Obstacles

State statutes, the brief went on, permitting process to run to unauthorized foreign insurers with respect to matters arising out of activities coming into substantial contact with the interests of the state and of its citizens within its borders are designed to remove obstacles otherwise preventing any practical method of enforcing local obligations. The continuing nature of the obligations sought to be assumed by such insurers, the paramount interest of the state of the insured's residence in their faithful performance, the reality of the contact which is effected locally in the course of the business transactions involved furnish a just and reasonable basis for making a foreign insurer amenable to local jurisdiction.

The brief of Travelers Health is a potent argument. Moses G. Hubbard, general counsel of Commercial Travelers of Utica and general counsel of International Assn. of Commercial Travelers Insurance Organizations, undoubtedly had a big hand in preparing it. He has been a hefty foe of legislation anywhere that goes very far in the direction of regulating unlicensed operations.

According to the Travelers Health brief, in its effort to bring the case within the "minimum contact" rule, the
(CONTINUED ON PAGE 30)

Md. Agents Call for Reduction in Class Fire Rates

**Plan Hiring of Full
Time Manager, Seek
Fire Rule Changes**

By KENNETH O. FORCE

BALTIMORE—The Maryland Assn. of Insurance Agents, it was revealed at the convention here, has asked the board of governors of the Maryland Fire Underwriters Rating Bureau to eliminate or reduce the 1947 class increase in fire rates.

When the agents' advisory committee (the Maryland rating law provides for agents' participation on an advisory basis) approved the increases, it understood the trend was national. But the change was consummated in a few states and in some they have since been



E. A. Rossmann



Ambrose Ryder

eliminated. Because of the favorable loss ratio since 1947, directors of the association unanimously agree that there should be some drastic change.

Impractical to Make Retroactive

However, because of the difficulties in revising rates retroactively, it is recommended that elimination or revision be made on new policies and renewals as of a future date, say Jan. 1. The recommendation is contained in a letter to H. F. Ogden, president of Fidelity & Guaranty and board chairman of the rating bureau.

There is now being worked out a revision in the Baltimore Board structure to take in all lines except life and ocean

NEW OFFICERS ELECTED

President—Capt. Charles C. Slayton, Annapolis.

Executive vice-president—E. Stuart Windsor, Baltimore.

Secretary—Brian B. Kane, Chestertown.

Treasurer—J. George Eisenberger, Baltimore.

Board Chairman—E. Albert Rossmann, Baltimore.

State director—Carroll L. Crawford, Westminster.

Executive secretary-treasurer—George S. Robertson.

marine and to make membership coextensive with membership in the state association. When details are completed, the association will retain a full time manager, who would act also for the board.

George S. Robertson, who made his 10th report at the meeting as executive secretary-treasurer, would continue in that capacity. The manager would have
(CONTINUED ON PAGE 26)

Cal. C. of C. Plans Session on Insurance Problems

A special session on insurance problems confronting the people of the country has been arranged by California State Chamber of Commerce for its meeting at Los Angeles, Dec. 1-2.

At this session, conducted by John E. Cushing of San Francisco, chairman of the social security committee, speakers who will lead discussions include: Ralph J. Walker, vice-president Pacific Mutual Life, "California's New Hospital Benefit Law—Its Causes and Effect"; R. A. Hornby, vice-president Pacific Lighting Corp., who has been fighting the compulsory health insurance in Washington,

"A Pariah Views Mass Medicine"; Edmund D. Leonard, San Francisco attorney specializing on workmen's compensation and liability law, "Workmen's Compensation Insurance—Free Wheeling and No Brakes."

Raff Goes With MacGibeny

Marvin E. Raff has joined the MacGibeny-Wilkerson-Grupe agency of Chicago as special agent. Mr. Raff has been in the business at Chicago since 1920. He has been with Hanover, Springfield F. & M., Automobile of Hartford, General Exchange and Central Mutual. He was branch manager for Emmco for 11 years and manager at Oak Park for Freeport Motor Casualty for four years.

Exhibit Auto B.I. Record of Law Suits Outstanding

In the following exhibit is shown the relationship of suits outstanding to earned automobile liability premiums for companies licensed in Illinois. The figures are taken from the annual statements covering 1948 operations.

In column 1 are shown the automobile personal injury liability premiums earned during the three-year period 1946-48 inclusive. Column 2 gives the number of suits outstanding at Dec. 31, 1948 in connection with policies for which the premium was earned during that period and column 3 gives the number of such suits per \$100,000 of earned premiums.

	Col. 1	Col. 2	Col. 3
Acc. of Switzerland...	6,923,462	924	13.3
Aer-Auto Exchange...	179,246	6	3.3
Aetna Casualty...	70,012,703	4,838	6.9
Allied Casualty...	2,363,881	80	3.4
Allstate...	27,804,853	1,685	6.1
Amer. Automobile...	41,260,315	2,285	5.5
Amer. Casualty...	10,899,364	637	5.9
Amer. Employers...	14,864,123	1,139	7.7
Amer. Fidelity...	18,969,871	1,622	8.6
Amer. Guarantee...	1,808,801	185	10.2
Amer. Indemnity...	2,480,910	156	6.3
Amer. Liability...	21,172,012	2,123	10.0
Amer. Motorists...	14,427,805	1,302	9.0
Amer. Policyholders...	1,464,199	322	22.0
Amer. States...	5,421,119	84	1.5
Amer. Surety...	15,078,321	1,540	10.2
Anchor Casualty...	5,443,081	260	4.8
Arex Indemnity...	474,254	96	18.1
Assoc. Indemnity...	3,904,315	277	7.1
Atlantic Indemnity...	227,058	194	8.5
Auto-Owners...	6,984,782	267	3.8
Auto. Club of Mo...	2,692,126	96	3.6
Bankers Indemnity...	12,185,182	1,047	8.6
Bituminous Casualty...	4,131,662	175	4.2
Buckeye Union Cas...	6,093,044	263	4.3
Car & General...	5,149,925	504	9.9
Casualty Indemnity...	126,876	13	10.3
Cas. Recip. Exch...	3,740,792	409	10.9
Central National...	69,811	2	2.9
Central Surety...	12,528,756	754	6.0
Century Indemnity...	22,758,735	2,892	12.7
Chicago Ice Producers...	118,825	19	16.0
Citizens Casualty...	4,464,522	464	10.4
Columbia Casualty...	5,636,124	527	9.3
Commercial Casualty...	17,930,249	2,857	15.9
Commercial Standard...	3,243,251	207	6.4
Connecticut Indem...	5,081,176	185	10.3
Consolidated...	2,838,938	125	6.4
Continental Casualty...	30,336,256	2,784	9.2
Cook County Farmers...	82,662	20	24.2
Country Mutual Cas...	3,968,697	291	7.3
Eagle Indemnity...	5,989,839	501	8.4
Economy Auto...	1,146,858	42	3.7
Electric Mutual...	550,937	31	5.6
Employers Casualty...	5,717,384	226	4.0
Emmco Casualty...	2,152,577	92	4.3
Employers Liability...	34,926,303	3,287	9.4
Employers Mut. Cas...	6,800,636	245	3.6
Employers Mut. Liab...	21,035,142	1,417	6.7
Equity Mutual...	1,102,354	89	8.1
Exchange Assn...	30,320	5	16.5
Factory Mutual...	6,834,724	969	14.2
Farmers Auto...	1,009,037	51	5.1
Fidelity & Casualty...	46,760,425	4,793	10.3
Fidelity Mutual...	809,544	40	4.9
Fireman's Fund...	22,781,758	2,235	9.8
Founders Mut. Cas...	462,116	246	5.3
Freeport Motor Cas...	1,705,483	80	4.7
General Accident...	34,114,561	3,329	9.8
General Cas. of Wis...	4,920,524	158	3.2
General Cas. of Amer...	15,340,044	582	3.8
General Trans. Cas...	7,255,596	1,980	27.3
Glens Falls Indem...	14,634,829	1,719	11.7
Globe Indemnity...	29,646,099	3,002	10.2
Government Employ...	2,662,054	178	6.7
Great Amer. Indem...	24,546,611	2,487	10.1
Hardware Indemnity...	4,168,856	258	6.2
Hardware Mut. Cas...	22,598,855	781	3.5
Hartford Accident...	89,026,309	7,754	8.7
Hawkeye Casualty...	2,486,412	181	7.3
Highway Underwriters...	1,409,601	88	6.3
Home Indemnity...	15,568,759	1,543	9.9
Hosler Casualty...	1,239,844	74	5.7
I.E.A. Mutual...	65,032	7	10.7
Illinois Natl. Cas...	1,903,383	91	4.8
Indem. of No. Amer...	37,610,122	2,829	7.5
Chicago Motor Club...	4,824,881	391	8.1
Iowa Mutual Cas...	480,620	208	4.3
Iowa Mutual Liab...	5,602,850	340	6.1
Liberty Mutual...	55,005,458	6,343	11.5
London Guarantee...	11,701,087	1,277	10.9
London & Lancashire...	7,350,261	773	10.5
Lumbermens Mut...	52,936,142	4,233	8.0
Madison County Mut...	226,107	15	6.6
Manhattan Mut. Auto...	2,842,785	238	8.4
Manufacturers Cas...	8,957,736	1,187	12.9
Mfrs. & Merchants...	1,359,418	88	6.5
Maryland Casualty...	40,585,366	3,544	8.8
Mass. Bonding...	25,737,449	4,713	18.3
Medical Protective...	2,513,055	276	11.0
Merchants Indem...	2,478,720	357	14.4
Metropolitan Cas...	20,444,523	3,797	18.6
Michigan Mut. Liab...	6,770,148	320	4.7
Mid-States...	261,265	34	13.5
Motor Vehicle Cas...	1,885,397	93	4.9
National Auto. & Cas...	5,703,578	278	4.9
National Casualty...	1,794,531	228	12.7
National Grange Mut...	6,358,695	225	3.5
National Indemnity...	427,826	23	5.4
National Underwriters...	35,742	4	11.2
National Surety...	3,334,349	308	9.3
New Amsterdam Cas...	29,280,651	4,234	14.5
New York Casualty...	7,860,049	1,127	14.3
Northwestern Natl...	4,998,421	198	4.0
Norwich Underwrit...	3,476,910	158	4.6
Ocean Accident...	10,194,867	1,093	10.7
Ohio Casualty...	17,127,573	459	2.7
Ohio Farmers Indem...	4,644,892	185	4.0

	Col. 1	Col. 2	Col. 3
Pacific Employers...	5,849,164	245	4.2
Peerless Casualty...	3,230,068	64	2.4
Phoenix Indemnity...	9,131,203	895	9.8
Prairie State Farmers...	112,235	8	7.1
Preferred Accident...	15,447,221	1,741	11.2
Preferred...	746,868	30	4.0
Progress...	426,540	38	8.9
Republic Indemnity...	471,625	54	11.5
Reserve...	290,284	37	12.7
Royal Indemnity...	26,441,122	2,752	10.4
State Farm Auto...	22,179,218	1,541	7.8
Seaboard Surety...	517,778	21	4.1
Security Mutual Cas...	1,447,237	82	6.3
Service Casualty...	2,918	3	10.3
Shelby Mutual Cas...	4,527,862	337	7.4
Standard Accident...	29,439,346	2,744	9.1
Standard Mutual Cas...	328,756	33	10.1
State of Des Moines...	3,264,425	57	1.7
State of Indianapolis...	4,141,638	339	8.2
State Farm Auto...	70,706,005	1,607	2.2
Suburban Casualty...	839,664	42	5.9
Sun Indemnity...	6,474,838	1,019	15.7
Trinity Universal...	4,058,035	154	3.8
Transit Casualty...	11,916,995	814	6.8
Travelers Indemnity...	14,658,749	852	5.8
Truck Exchange...	5,920,971	254	4.3
Lloyds...	4,825,151	234	4.9
Union Auto Indem...	1,176,224	51	4.1
U. S. Casualty...	15,806,467	2,554	16.1
U. S. F. & G...	66,866,076	3,546	5.1
United National Ind...	4,053,847	214	5.1
Union Pacific...	6,051,640	222	3.7
U. S. Guarantee...	8,703,266	547	6.3
U. S. Mutual...	480,470	75	15.4
Utica Mutual...	13,544,395	1,075	7.9
Virginia Surety...	1,955,593	127	6.5
Western Casualty...	9,464,044	594	6.3
Western States Mut...	429,714	47	10.3
Wolverine...	2,737,557	112	4.1
Yorkshire Indemnity...	3,605,422	520	14.1
Zurich Accident...	25,959,806	2,993	11.1

Mutual Claim Group Plan Arbitration Committee for Subrogation Disputes

Plans to organize an arbitration committee to handle subrogation claims between member companies, similar to the arbitration group of Assn. of Casualty & Surety Companies and National Assn. of Mutual Casualty Companies, were explained by Fletcher B. Coleman, State Farm Mutual Automobile, president of Conference of Mutual Casualty Companies, at the meeting of the conference claim group at Chicago last week. National Assn. of Independent Insurers has been asked to join the existing arbitration group and the decision is now in the hands of the claims committee, Mr. Coleman explained. The plan that would be adopted by the conference group would be the same on a small scale.

Under this organization, all member companies submit subrogation claims on auto collision and compensation of less than \$1,000 to the committee and their decision is final. On higher amounts, the committee can give an "advisory decision," and Mr. Coleman pointed out that this could be of great assistance to the companies in determining what might happen in court.

After the group has had a chance to experiment with the plan for a year or so, Mr. Coleman remarked that it would be in a position to consider affiliation with the original body of Assn. of Casualty & Surety Companies and the mutual company group.

Mr. Coleman, William A. Hultz, Auto Owners, and William J. Hancock, Allied Mutual Casualty of Des Moines, were named a committee to advance a plan to be reported on at the next meeting.

J. D. Williams to Retire

ST. PAUL—James D. Williams will retire Jan. 1 as a member of the Minnesota industrial commission after 23 years of service. He estimates he has heard about 5,000 compensation claims in his 28 years of service.

Reschedule Auto Hearing

At a meeting of company representatives with Commissioner Dickey at Oklahoma City, to discuss the automobile assigned risk plan, no definite proposals were made. The companies requested additional information and action was withheld pending another meeting which is tentatively set for early December.

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DO YOU BELIEVE
That A Check or
Agreement Signed
on Sunday is Void?

*This is a common belief
which is untrue.*

IT IS A TRUTH, HOWEVER...

... that every agent who joins Hawkeye-Security-Industrial's ever growing agent family gets the most in home office co-operation ... the kind of wholehearted co-operation that builds more casualty and fire business.

Hawkeye-Security-Industrial are proud of their prompt and equitable settlement of claims ... the fact that there is no red tape in dealing with agents ... that every sales aid is given the agent and a sincere group of field representatives are always at the agent's service.

All these facts add up to the reasons why "the trend is to Hawkeye-Security-Industrial."

HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.
INDUSTRIAL INS. CO.

Des Moines, Iowa

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Licensed in California—Indiana—Colorado—Texas—
Hawaiian Islands
Writing Compensation—Liability—Burglary—
Automobile
Branch Offices—San Francisco—Los Angeles—
San Diego—Indianapolis
General Agencies—Cobb & Stebbins, Denver
George M. Yamada, Honolulu
Barney Vanston & Co., Dallas

GUARANTEE INSURANCE COMPANY
HOME OFFICE — LOS ANGELES

Col. 2	Col. 3
243	4.2
64	2.0
896	8.8
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30	4.0
28	8.9
54	11.5
27	11.7
2,752	18.4
1,541	7.0
21	4.1
82	8.7
8	10.3
337	7.4
2,744	8.3
33	10.1
67	1.7
339	8.2
1,607	2.8
42	5.0
1,019	15.7
154	2.0
814	6.8
852	5.8
254	4.3
324	8.9
51	4.3
2,554	16.1
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A serious accident can not only

- lay up a client
- stop his pay
- whisk his savings out of a bank
- take the shirt off his back

but it can force him to find money to pay medical bills and keep his family eating while he's trying to get well.

Before one of your clients finds himself in this serious predicament isn't it wise to make sure he is protected by the proper forms of Accident, Health and Hospitalization insurance.

The most modern forms are offered by -

The Travelers Insurance Company
Hartford, Connecticut

Meaty Fare for A.&H. Men at Chicago Sales Congress

Presentations of how they sell A. & H. insurance by three master salesmen, a first-hand picture of the British health insurance system by an English doctor who could not stand for its exactions and came to this country to get away from it, and an exhortation of the "amug disinterest" in this country in regard to the menace which faces it, coupled with a plea to do something about it other than pass resolutions, combined to make the program for the sales congress of the Chicago Accident

& Health Association Tuesday one of unusual interest and appeal.

Dr. Ralph J. Gampel, voluntary exile from Britain's socialized medical system, talked at the luncheon and attracted a crowd which filled the grand ballroom of the Hotel La Salle to capacity. He is a very forceful speaker, with plenty of humor to leaven the serious message he had to convey.

He told how the English doctors were coerced into joining the national health service, although twice on referendum

vote they had rejected it by decisive majorities. A system of buying and selling the good will of a medical practice had been in vogue for many generations. The usual price was 1½ times the gross for a year. The British Medical Association had worked out a plan by which the young doctor could borrow the money at a bank to purchase a practice, repaying the loan in quarterly payments over a period of 10 years. Dr. Gampel himself paid (or borrowed) \$12,000 to start in practice.

The national health service act, however, made buying and selling the good will of practices illegal, which wiped out the sale value and left recent purchasers paying out on loans for which they got nothing in return. There was a general appropriation made to compensate the doctors, but with a proviso that it applied only to those who joined the national health service on or before the appointed day. In that way the government was able to announce that more than 90% of the doctors had already signed up.

He told of the way in which it was necessary to rush patients through, 20 an hour at times, making it impossible to give real service; the difficulty in getting hospital examinations for those who need it; the reams of red tape required and the controls set up, nominated from above and not elected, with the doctors always in the minority and no recourse to the courts, and with the minister of health, who is at the apex of the pyramid, justifying the refusal of court review by saying: "I am responsible to parliament and the doctors are responsible to me."

It was hard to leave home and friends and go back to an intern's status, not quite where he was nine years ago, but Dr. Gampel said that if he had the decision to make again, he would do the same thing.

Repetition and Reputation

Alfred K. Perego, Milwaukee general agent of Wisconsin National Life, who opened the afternoon session with his talk on "Building A. & H. Premium Income," stressed particularly the two R's—repetition and reputation. By repetition he means using any means of motivation, such as a good claim story in a way that it will help show the greatest possible number of people their need for protection.

He made a decided hit with a sales plan which he said works particularly well in a combination company like his own, selling both life and accident-health, with agents writing mainly life, who have been reluctant to sell A. & H. It consists of propounding three questions to the prospect. They are: "How long has it been since any insurance man talked to you about accident and health insurance?" "Did you buy?" "Why?"

It doesn't make any difference what the answer is to the first question. The agent can go ahead with the second one just the same. If the answer to it is no, the third is in order, to be followed by the regular solicitation. If he did buy, further discussion is likely to show that the amount of coverage he has is inadequate.

"Get out and talk business—the simple way," was the central point of his advice.

Henry C. Doehne, Chicago general agent of the intermediate A. & H. division of Continental Casualty, stressed the imperative need for income protection. He said the average man can't afford to miss even one pay check, let alone the second one. He emphasizes to prospects what the insurance he is offering will do if their income stops. He used to write considerable life insurance but is now devoting himself entirely to accident and health because he knows that without income protection the prospect couldn't even pay his life insurance premium in the event of a prolonged disability.

He criticized very strongly the sale of limited policies or those that are unduly restricted.

He deprecated the tendency of many

agents to feel that they have to be furnished with leads and said the producer can obtain much better results by getting out and getting his own. To show the possibilities in the "endless chain," he described a series of sales he made through selling a policy to a service station operator at Kokomo Ind., who then passed the word along to his friends.

Takes Barnum as Model

Sidney Fields, "pavement pounder" for Massachusetts Indemnity at Cleveland, who is chairman of the Leading Producers Round Table, speaking on what "What Makes a Leading Producer," gave an exposition of the often unorthodox methods that he uses, which went over very strong with his audience. His talk was built around several rules of business propounded by P. T. Barnum, whom he characterized as the world's greatest salesman:

Select the kind of business that suits your natural inclination and temperament. "If you don't intend to make selling accident and health insurance your life work and don't definitely enjoy selling it, get out now."

Let your pledged word ever be sacred. "Know all about your contract so that you can tell your assured not only what he is going to get but what he has to do to get it and, more important yet, what he is not going to get. Do not commit the cardinal sin of omission."

Whatever you do, do it with all your might. Mr. Fields sells insurance 24 hours a day. Everyone he meets, everywhere he goes, he regards as prospects.

Do not scatter your power. "Organize your work. Don't let anyone fritter away your time. If a prospect wants you to come back later, insist on a definite appointment, and one that will fit into your calendar."

Advertise your business. "My livelihood springs only from the consumer and from him I reap my daily bread, not from the company. So—when I advertise I sell and advertise only Sidney Fields."

Do not depend upon others. "Too many agents today are inclined to be leaners. A spontaneous sales talk, in which the agent can be himself, is much better than a canned one."

Joseph T. Meek, executive secretary of the Illinois Federation of Retail Associations, was the one who gave the exhortation and warning. He urged that all of those present put in their sales kits for 1950 the idea of telling all of their friends and prospects the real bases for individual freedom and what its loss would mean; also to pledge themselves, and get others to do likewise, to vote in primary and general elections, to become acquainted with their precinct committeeman and with what politics really means, and to realize that that is the only way in which their freedom can be preserved.

Pacific Ind. Dividend Up

LOS ANGELES—Pacific Indemnity is increasing its quarterly dividend from 50 cents to 75 cents per share. Since 1945 it has maintained a regular dividend of \$2 per share and paid extras amounting to 60 cents per share annually. The present action places the stock on a regular annual dividend basis of \$3 per share.

Net premiums written the first nine months were \$17,640,555, a decrease of \$24,563 from last year.

Producers Form TDB Group

New York producers have formed an organization to cooperate with the Workmen's Compensation Board in solving problems arising under the state temporary disability benefits law. Joseph A. Nuemann, executive vice-president of the New York State Assn. of Insurance Agents, is chairman of the committee, and Joseph F. Conroy of Zaun, Conroy & Mulrooney is secretary. Life, brokerage and stock and mutual agents associations are represented.

Our Advice To Property Owners

ANYWHERE • ANY TIME ALL THE TIME

"What you need is a competent broker or agent who not only knows insurance contracts, but also knows his way around in the insurance markets. Such an expert can relate your insurance to current economic conditions and set up a program to meet your own special requirements." (from an Atlantic newspaper advertisement)



ATLANTIC

ATLANTIC MUTUAL INSURANCE COMPANY
CENTENNIAL INSURANCE COMPANY

FORTY-NINE WALL STREET • NEW YORK 5, N. Y.

Albany • Baltimore • Boston • Chicago • Cleveland • Detroit • Houston • Los Angeles
Newark • New Haven • Philadelphia • Pittsburgh • Syracuse • San Francisco

Marine, Fire, Inland Transportation, Yacht, Property Floaters,
Automobile, Liability and Casualty Insurance

1886—OVER A HALF CENTURY OF SERVICE—1949

The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

We write every practical form of Life, Accident, Health, Hospitalization
and Medical Expense Insurance.

District Managers and Representatives WANTED

Geo. F. Manzelmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

NATIONAL FIRE CHANGES

Fire, Casualty Ranks Are Closed in Official Staff

HARTFORD—Election of a new director of National Fire and a number of changes in the official staffs of the five companies of the group are announced.

In the main the changes in the official staffs establish a uniform staff of vice-presidents, a treasurer and an assistant treasurer for all of the companies. Also two fire insurance company secretaries were elected to positions in the casualty company. These changes are made to establish a closer relationship between the fire companies and the casualty company.

Morgan W. Taylor is the new director. He is president of Edwin Taylor Lumber Co.

T. A. Long, vice-president of United National Indemnity, was elected a vice-president of the four fire companies.

All vice-presidents of the four fire companies were elected vice-presidents of United National, they being R. M. Anderson, W. W. Corry, E. H. Forkel, E. R. Hindley, T. A. Long, G. Lowe, S. W. Prince, C. B. Roulet and C. Winslow.

Messrs. Corry, Lowe and Prince remain in addition the title of secretary.

R. A. Dwyer, secretary of the fire companies, also becomes assistant vice-president and secretary of United National and will serve as Mr. Long's first assistant in executive matters. O. A. Ogden, secretary of the fire companies, was elected secretary of United National, where he will be active particularly in the automobile department.

Cameron Winslow, head of the group's investment department, who in June relinquished the title of treasurer of National Fire but continued as vice-president and executive officer in charge of the investment department, has now relinquished the title of treasurer of the other companies of the group but retains the title of vice-president for all companies and continues as head of the investment department.

H. W. Stevenson, who had previously been promoted from secretary and assistant treasurer of National to the offices of secretary and treasurer, was advanced to the same positions for all companies of the group and will continue to serve in the investment department.

A. F. Davies, Jr., previously made assistant treasurer of National, was elected to the same position for the other companies and will continue his activities in the investment department.

Mail Order Code Before Year End

WASHINGTON — Indications are that federal trade commission will promulgate its trade practice conference rules for the mail order insurance before Jan. 1. Commission officials hope so, and Wendell Berge, counsel for Insurance Advertisers Association, believes it will happen.

Delay in handling this matter is attributed to personnel changes in the commission and its staff. The matter had been assigned to Commissioner Davis, who recently died. James Mead was sworn in last week as successor to Commissioner Ferguson. John Carson recently succeeded Commissioner Freer. Because of vacancies and illness among the commissioners, Henry Miller, chief of the commission trade practice conference division, has not pushed the mail order case, it is understood.

While differences have been reported among FTC staff members over particular provisions of the code, no important changes in the proposed rules have come to attention of outsiders.

The matter is still in Miller's divi-

sion, and in its rule-making section, in particular. It will go from there to members of the commission for review. They may possibly send it to their chief counsel's office, on account of its importance and FTC entry upon the new ground of insurance regulation. Meanwhile, Mr. Berge was set to argue before the federal court at Chicago this week the case of an indictment involving Arcadia National of Chicago. Motion to dismiss has been made on the ground that provisions of public law 15 tend to invalidate that proceed-

ing or the postal law upon which it was based.

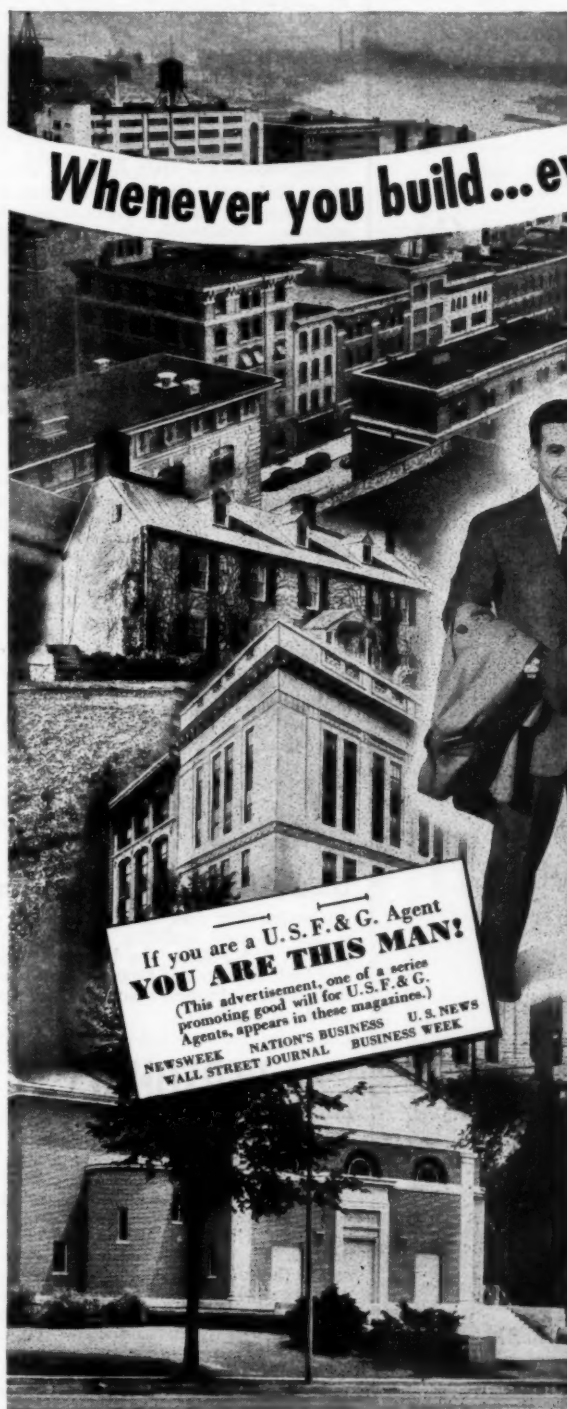
C. A. Dosdall Dies Unexpectedly at 67

ST. PAUL—C. A. Dosdall, vice-president and director of St. Paul Fire & Marine and allied companies, died unexpectedly Tuesday night. He had been at the office as usual Tuesday. He would have been 67 Dec. 2 and had been

with St. Paul 46 years. He became secretary in 1924 and vice-president in 1943. He was a director of Western Adjustment and formerly was a member of the governing committee of Western Underwriters Assn.

Elect in Mercer County

New officers of the Mercer County (N. J.) Assn. of Insurance Agents are: President, S. C. W. Ackerman; vice-president, Harry G. Mather; secretary, William Krantz; treasurer, Ralph Zelle.



Whenever you build...events like these may happen

- Faulty Workmanship
- Unforeseeable Contingencies
- Liens on Your Property
- Non-Completion
- Faulty Materials

This Man

can protect you against LOSS!

HOW? By arranging with your contractor to furnish performance bonds which will protect you against all such losses.

WHO IS HE? Your local U.S.F. & G. Agent —trained to handle the bonds you need for protecting your investment.

HOW DO YOU REACH HIM? He is as near as your telephone. Consult your local U.S.F. & G. Agent today.

FOR U.S.F. & G. SERVICE: Call Western Union by number and ask for Operator 25, who has name and address of your nearest U.S.F. & G. agent.



United States Fidelity & Guaranty Company, Baltimore 3, Md.
Fidelity & Guaranty Insurance Corporation, Baltimore 3, Md.
Fidelity Insurance Company of Canada, Toronto

CONSULT YOUR INSURANCE AGENT OR BROKER AS YOU WOULD YOUR DOCTOR OR LAWYER

BUCKEYE UNION

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two strong companies

...strong in their belief in the American Agency System
...strong in prompt settlement of claims
...strong in field service to agents

THE BUCKEYE UNION CASUALTY CO.

Automobile—General Liability—Burglary—Plate Glass
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THE BUCKEYE UNION FIRE INS. CO.

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Capital Stock Insurance Companies operating in Ohio,
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Reinsurance Treaties

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309 West Jackson Boulevard
CHICAGO 6, ILLINOIS

NEW YORK OFFICE
79 John Street
NEW YORK 7, NEW YORK

COMPANIES

Successor Not Named

Universal Mutual Casualty of Chicago has no immediate plans for naming a new president to succeed M. J. Law who resigned. Secretary-treasurer of Universal Mutual is Roger McCormack.

Founders Mutual Audited

Assets of Founders Mutual Casualty of Chicago at Dec. 31, 1948 amounted to \$242,097 and surplus was \$125,432, according to a report of an examination by the Illinois department. Examiners state the cash position is adequate to meet current operating requirements and surplus funds are invested almost entirely in government bonds. The company is efficiently managed and has shown favorable underwriting experience. Robert D. Phelps is president and treasurer, and Caroline Egan is assistant secretary. Practically all of the business consists of foundry compensation risks. There were about 80 assured.

The services of the local agency of Bronson, Dennehy, Ulseth, Inc., and Industrial Safety & Claim Service are utilized in handling claims, keeping records, conducting inspection and safety engineering work, etc. There is an aggregate excess contract and a contingent liability policy with Lloyds.

Premiums earned during 1948 were \$182,228, losses incurred \$75,020, loss adjustment expenses incurred \$38,886, underwriting expenses \$18,084, net gain from underwriting and profit and loss items, \$48,833. The loss ratio was 41.16, loss adjustment expense ratio 21.33 and underwriting expense ratio 9.92.

OK Capital Increase

Following approval by the stockholders of Central Surety increasing the capital to \$2 million by a transfer of \$1 million from surplus to capital, the directors, at a special meeting, declared a 100% stock dividend, to be distributed Dec. 15 to stock of record Dec. 1, 1949. Each stockholder will receive a new share for each share held. The capital is divided into 100,000 shares of \$20 par value.

U.S.F.&G. Has New Building

Construction has been completed on a new 5-story building at Oklahoma City for U.S.F.&G. The building, which was built at a cost of \$600,000, will house the company branch office and the state and local agencies.

PERSONALS

John H. Nolan, Newark manager of Aetna Casualty was tendered a dinner Monday at West Orange, N. J., on his 25th anniversary with the company. He was presented a cocktail shaker and pail by Mrs. Elizabeth MacDonald, president of the Aetna Club. Employees sponsored the dinner. About 85 attended.

George Nichols, underwriter at the New York office of General Accident, was honored by his associates on his 25th anniversary with the company at a dinner.

W. H. Howland, who retired several years ago as A. & H. manager of General Accident, except for four months when he hibernates in a Philadelphia apartment, makes his headquarters at his old duck hunting camp on a branch of the Chesapeake on Kent Island across from Annapolis. He has added conveniences to the camp and operates a large garden. He has a well equipped fishing boat and a bird dog. Mr. Howland was one of the old-timers in the A. & H. business. He was secretary of the old Detroit Conference which was the predecessor of Health & Accident Underwriters Conference in about 1910. His son, Billedward Howland, is

A. & H. manager of Mutual Implement & Hardware of Owatonna, Minn.

Thomas R. Dew, vice-president of U. S. Guarantee, was chief host at the annual dinner and dance at New York of the Virginians, consisting of those from Virginia that are now residing in New York. He is the governor of this society. Junius L. Powell, another vice-president of U. S. Guarantee, is the immediate past governor. Lewis F. Musgrove, assistant secretary of U. S. Guarantee, is on the executive council of the society.

Cal. Wants Standard Policy Language Changed

The California department has advised National Bureau of Casualty Underwriters that it expects that in the next two years, the language of the standard automobile general and comprehensive liability policies will be revised so as to affirmatively state what is required to be stated by an amendment that was enacted this year in California. National Bureau submitted copies of the national standard provisions policies to the California department for a ruling on whether they meet the requirements of the new law. The department takes the position that the policies do not affirmatively state what the law calls for although they do so by implication. Hence the department does not require that the forms be revised immediately but does "earnestly" expect that this will be done within the next two years.

Murray D. Lincoln, president of the Ohio Farm Bureau insurance companies, has been reelected president of CARE, European relief organization for his fifth consecutive term. He has been president since its inception.

Insurance Women of San Antonio heard Robert Brownlee, special agent of Loyalty group, underwriting from the standpoint of the local agent, field man and home office underwriter.

WANT ADS

FOR SALE

CASUALTY INSURANCE COMPANY

Complete management control of a fifteen year old Mutual Casualty Company available at attractive price. Over 100 agents writing in excess of half million annually. Hospitalization, OLT, CPL, casualty and automobile. No pressure groups invited. If interested in a strictly legitimate operation in one of our best insurance states. Address W-53, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

General Casualty and Automobile Special Agents for Servicing General Agencies in Detroit and Columbus, Ohio territories. This is a good opportunity for field men desiring to make a connection with a strong, aggressive, expanding company. Apply Personnel Department, Auto-Owners Insurance Company, 615 North Capitol, Lansing, Michigan.

EXPERIENCED HAIL ON CROPS MAN WANTED To headquarters in Southwest. Must be thoroughly familiar with all form of Hail Insurance on Growing Crops, including adjustment of losses, production, and office detail. Must also be familiar with operations in the Middle West. Only men of outstanding ability need to apply. Address W-58, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.

BRANCH MANAGER

Must be experienced in automobile, casualty and fire insurance special agency work. Must have adequate working knowledge of claims adjusting. Branch office is in Topeka, Kansas. This is splendid opportunity for a man who is capable and conscientious. Address W-61, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Man experienced as claim adjuster and examiner in Home Office Claim Department. Writing full experience, references and salary expected. Address W-62, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CHANGES IN CASUALTY FIELD

K. W. Evans to New K. C. Insurer

K. W. Evans has been employed to handle both the claims and underwriting departments of the new multiple line stock company that has been set up at Kansas City by Lynn Underwriting Co. that is known as Universal Underwriters Ins. Co. Mr. Evans was vice-president of Mid-States, he was with Liberty Mutual in the claims department for 11 years, and was for 10 years with Lumbermen's Mutual Casualty in the claims department and on the workmen's compensation underwriting committee. There will also be added to the organization soon an experienced casualty underwriter and a man experienced in the management of the casualty agency department.

This company will be operated in conjunction with Universal Underwriters, the fire insurance reciprocal of which Lynn Underwriting Co. is attorney-in-fact.

J. J. Lynn is president of the new stock company; J. E. Challinor, executive vice-president; H. L. Wieder, first vice-president; A. H. Thurmond, vice-president and secretary; H. E. Prather, treasurer; and the vice-presidents are E. M. Lynn, H. Vander Dussen, J. M. White, T. R. Crings, R. T. Cannon, and J. E. Minton.

F. & D. Rearranges Setup

LOS ANGELES—Fidelity & Deposit has assigned additional executive and underwriting responsibilities to Robert Hecht, associate manager here, who recently celebrated his 25th anniversary with F. & D. He is best known as a court bond underwriter. While he will continue to have over-all supervision of judicial underwriting, his new duties will embrace production and underwriting of contract and miscellaneous bonds.

V. L. N. Parker has been promoted to manager of the judicial department in charge of court bond production and underwriting. He has been associated with the Los Angeles branch since last February as supervisor of the judicial department. He formerly was manager of the judicial department of the New York branch. During the war he was assigned to military intelligence in China and Korea, and later served with the American consulate general at Shanghai.

Robert E. Hunter, court house representative, has been made assistant manager of the judicial department. He will be assisted by James A. Evers.

Name Van Dyke at Nashville

American Casualty and American Aviation & General have appointed Richard V. Van Dyke as manager of the fire department at Nashville. Mr. Van Dyke has had fire rating, safety engineering and underwriting experience.

Take Over Cal. Agencies

LOS ANGELES—Continental Casualty and Continental Assurance, effective Jan. 1, have purchased the miscellaneous casualty and surety, A. & H. and life insurance business of California Agencies, Inc., which has represented those companies as general agent. The agency will continue to operate as heretofore in the automobile fire, fire and marine insurance fields as a general agency. In addition to his duties with the agency Harry L. Burford, its president, will join the Continental organization in an advisory capacity to Ellis P. Schmidt, resident vice-president. William J. Whitchurch will become resident vice-president of Continental Casualty in charge of the

Pacific Coast casualty claim department.

Mitchum to San Francisco

W. L. Mitchum, agency superintendent at Seattle for Indemnity of North America, is being transferred to San Francisco Jan. 1. Succeeding him at Seattle is Henry Buck, formerly agency superintendent at Los Angeles.

Moon Okla. General Agent

Government Employees Ins. Co. of Washington, D. C., has been licensed in Oklahoma to write automobile coverage except fire, with Milton R. Moon of Oklahoma City as general agent.

Four Claim Men Promoted

Four claim department promotions have been announced by American Mutual Liability.

Milo G. Gray, South Bend claim manager, has been appointed district manager at Minneapolis. He is succeeded at South Bend by Robert F. Brinkham.

Indianapolis claim representative. James T. Lanigan, Easton, Pa., claim manager, was named district manager in Des Moines, and Willis C. Hurd, Jr., Buffalo claim representative, has been named White Plains claim manager.

Auto Rate Hearings in N. C. are Set for Dec. 1

RALEIGH—Commissioner Cheek has set a public hearing for Dec. 1 on a proposal by North Carolina automobile rate administrative office for a change in the system of determining rates on long haul trucking risks. This will be held simultaneously with a hearing on other proposals for reductions of 14.6% in B.I. rates and 10.9% in P.D. rates for private passenger cars, and reductions of 21.4% in B.I. and 14.3% in P.D. for commercial automobiles.

The long haul truck proposal calls for determining the rate on a North Carolina truck by averaging the North Carolina rate with the rate in the highest zone through which the truck operates. Previously, the rate has been achieved by averaging the two highest rated zones through which the truck

is routed.

It was also proposed to reduce the combined B.I. and P.D. basic zone rate in North Carolina from \$425 to \$375.

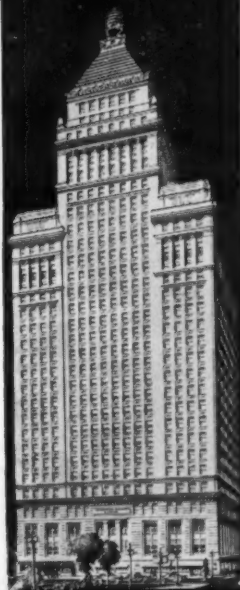
In North Carolina, the rates on truckers who are required by law to carry insurance are not subject to regulation. Hence, the new proposals will apply only to a portion of the long haul risks, the principal ones affected being transporters of vegetables, fruit, produce, fish, poultry and household furnishings.

M. F. Ferry New President of Philadelphia Surety Assn.

New officers elected by Surety Underwriters Assn. of Philadelphia are: President, M. F. Ferry, Maryland Casualty; vice-president, Frank L. Madden, Standard Accident; secretary, H. S. Geigler, American Employers, and treasurer Robert J. Carr, Century Indemnity.

Retiring President Charles F. Perkins, U.S.F.&G. was named to the executive committee, together with A. H. Bent, Aetna Casualty; Horace Steel, Globe Indemnity, Robert J. Thorne, Home Indemnity, and Frederick W. Moore, Hartford Accident.

multiple line facilities



ACCIDENT
FIDELITY
GENERAL CASUALTY
HEALTH
HOSPITALIZATION
INLAND MARINE
LIFE
SURETY

**Continental
Casualty Company**

and Associates: Continental Assurance Company
Transportation Insurance Company
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excess covers

of nearly
every
kind...

liability
property damage
fire and windstorm
fidelity and
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BOWES

a company inc.

insurance

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chicago 3, illinois

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new york 5, n. y.

"Service that Renews"

at the time of sale
at the time of loss



**PACIFIC EMPLOYERS
INSURANCE COMPANY**

Victor Montgomery, Pres.

Coast to Coast Service

Md. Agents Ask Fire Rate Cut

(CONTINUED FROM PAGE 19)

other duties, such as building membership, keeping in touch with the insurance department, consulting with legislators and rating bureaus, etc.

Committees representing the board and association have been working on the matter for some time and hope to consummate it in a couple of months. W. W. Hamilton, manager of the Illinois and Chicago agents' groups, made a study of how best to bring about affiliation of the two groups in Maryland and his recommendations were reported to the convention here by E. Churchill Murray, Annapolis, chairman of the association's committee.

The association adopted a resolution opposing federal attempts to socialize medicine and another commending Commissioner Hanley and his office.

Ask for Rule Changes

Several rule changes were recommended by J. George Eisenberger, Baltimore, vice-chairman of the advisory committee. Agents would like the \$100 automatic reinstatement to apply per loss. As it is, the rule gives the risk of poorest character the largest reinstatement. They would like to have the unoccupancy rule include a phrase to the effect that cessation of operations doesn't constitute unoccupancy. Also they would like binders effective 60 days instead of the present 30. There are some farm rules and rate recommendations that have not been acted on and Mr. Eisenberger recommended they go back on the agenda of the forms subcommittee for consideration.

Agents want the rental value clause changed to remove any doubt of coverage where one tenant occupies a building with multiple ownership. This is necessary, agents believe, particularly where there is one entrance. One loss involved a building with three owners and one tenant. One insurer wanted to stop paying when the part it insured was restored, though the portion covering this entrance was not completed and the tenant could not do business.

Get No Rate Bureau Action

All of the recommended changes have been considered by the board of governors of the rating bureau but so far the board has in all cases subjected the items to "further consideration." No action has been taken, Mr. Eisenberger said.

Seven district vice-presidents elected are W. J. Harrington, Cambridge; M. B. Bassford, Hagerstown, who was ill and could not attend; R. J. Brooks, Jr., Baltimore; H. N. McFarlin, Riverdale; Everett Nuttle, Federalsburg; J. F. Workmeister, Cumberland, and F. W. B. Thomas, Westminster.

The new directors are L. K. Billingslea, Westminster; D. B. Dugan, Baltimore; H. N. German, Easton; C. T. Oliver, Aberdeen; J. B. Reinhart, Cumberland, and Chase Ridgely, Baltimore.

John F. Neville, associate counsel of N.A.I.A., opened the convention with his luncheon talk on "Legislation and the Agent." Charles P. Butler, executive vice-president, had been advertised but he became ill Tuesday and his physician ordered him to stay home.

The agent, in daily contact with the public, can and should counsel with insurance departments and legislators, Mr. Neville advised. In legislative work, it is no longer enough simply to be against something. If the agents don't like what is being proposed, they should have an alternative, positive suggestion.

The buyers' forum, for which E. Stuart Windsor, Baltimore, acted as moderator, proved to be a popular feature. The discussion of replacement costs was handled by Paul Whittington, contract manager American Appraisal Co.; Paul E. Keedy, Turner & Thomas, and F. Addison Fowler, Leonhart & Co., all of Baltimore. H. T. Lewis, underwriting manager of Royal-Liverpool, discussed U. & O.

Multiple line underwriting is nothing

new for the agent, but even in the one field of automobile it presents a lot of problems to companies, Ambrose Ryder, vice-president of Great American Indemnity, said.

In getting out a single auto policy, which he predicted most companies will do, there are charter changes and licenses to get in 48 states. (Four states won't permit fire companies to write full cover.) Agency contracts have to be changed. These sound like minor matters, but they take time.

Perhaps the biggest problem is the policy itself. When revising it, to get full auto cover in one contract, it is natural for companies to decide that the time is propitious for improving it in other ways, such as use of one time carbon, which is expensive but which saves policy writing time.

Agents Can Help

But there are rather tough problems here. The difference in manuals, statistics and rating organizations is something agents may be able to help with, he suggested. They can exert pressure to simplify the auto manuals. Two separate ones for each state should not be necessary. The National Automobile Underwriters Assn. almost has a manual for every state, and the National Bureau of Casualty Underwriters almost gets the same effect with various state exceptions.

"There is no reason why we can't have one instead of 48 insurances," he said. "Ford doesn't have to have one car for Virginia and a different one for Maryland, yet each state has its own license requirements, taxes, driving regulations. Insurance exceptions and differences by states add to agency and company overhead."

Fire companies have to join assigned risk pools; business has to be coded differently; personnel has to be trained for joint underwriting; field men and branch offices must work both auto lines; adjustment procedures must be altered—these are other matters that require change.

But Mr. Ryder regards multiple line auto underwriting as one of the first steps in a long trend which now is well under way.

Inland Marine Big Line

With \$200 million in premiums in 1948, inland marine is a big business, Robert B. Mulholland, agency manager of Marine Office of America, said. He thinks there is much standardization of rates and forms yet to be done, for better coverage of insured and ease of handling by agent. For example, the business has a floater for horses and wagons but when a farmer wants it on horses and cows, he is apt to get six different rates on the cows.

The agent may think there are too many manuals that he has to use, but the inland marine manual will yield valuable production information, he said, especially in its definitions and bulletins. He commended Bulletin 104 on bailees' customers' and processors' coverage as a good example.

"Found Money," the Inland Marine Underwriters Assn.-National association film, was shown.

Banquet Entertaining Affair

The banquet was an entertaining affair, with music, Roy A. Howells, humorist, who deftly mixed astrology and gags, and the presentation of gifts. George Robertson and Miss Helen Hottenbacher, his assistant, received two of the latter on their 10th anniversary with the organization, and retiring President E. Albert Rossmann got two. Mr. Rossmann presided.

Guy T. Warfield, Jr., Baltimore, past N.A.I.A. president, installed the new officers, ably pinch hitting for Commissioner Hanley.

More than 400 attended the affair, and about 375 registered for the convention.

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which always gets a good crowd. This is partly because the association has had good administrations in recent years. It is also because Baltimore itself possesses considerable attraction. It is big enough to be a little wicked and small enough to be very friendly. Besides that, the food and drink are always surprisingly good.

Capt. Slayton, the new president, entered insurance at Annapolis in 1935, when after a career in the navy he retired as a commander. He purchased a small agency. During the last war he returned to active service for five years, in the hydrographic office, and was promoted to captain. While in service his daughter managed the agency. Capt. Slayton is well known as a magician and is past president of Society of American Magicians. He has served as board member of the association, regional vice-president and on various committees.

OGDEN MAKES REPLY

Harry F. Ogden, chairman of the governing committee of Maryland Fire Underwriters Rating Bureau, following the Maryland agents' convention, issued a statement in which he termed the request of the agents for a reduction in fire insurance rates as "entirely out of order." He contended that the subject matter of rates is primarily the work of the rating bureau and he expressed the hope that agents' associations elsewhere "will not fall into the same error" and that the Maryland agents will not repeat the incident. He said it is regrettable that the organized agents in Maryland saw fit to make public announcement of their view without prior discussion with the rating bureau.



Harry F. Ogden

He said the agents' association is not in possession of the data required by law to be taken into consideration to determine whether rates should be modified. Accordingly, it is in no position to make recommendations on this score. The rating bureau strives to make its determination on the basis of all available data, fair to the public, giving allowance for catastrophe and conflagration hazards and a reasonable underwriting profit. The Maryland rating bureau is giving continuous study to the rate level question and will make its recommendations and determinations in due course.

Cites Maryland Law

Mr. Ogden pointed out that the Maryland law provides that consideration shall be given to the experience during a period of not less than the most recent five year span for which the experience is available. Consideration shall be given to past and prospective loss experience within and outside the state and to past and prospective expenses, conflagration and catastrophe hazards and to other elements. It is improper, he declared, to make any recommendations with respect to rates based only upon the movement of the loss ratio since the last revision. All elements provided for by the law must be taken into consideration, including the element of a reasonable underwriting profit. The loss ratio movement must be integrated with the loss experience for prior years in order to make up the minimum of five years of experience.

Maryland Jottings

H. Merrill Walters, Pokomoke City, a past president, is ill in Johns Hopkins hospital with diabetes. Maryland Assn. of Insurance Agents from its convention at Baltimore sent condolences and flowers.

Home varied the headquarters routine by holding open house at its Baltimore

offices. Randolph Church, manager, was in charge.

H. L. Dunn, president of American Bonding; H. F. Ogden, president F. & G., and E. Asbury Davis, president U. S. F. & G., were at the head table of the opening luncheon. Mr. Ogden had his left hand bandaged from an operation to overcome the tightening effect of a scar tissue from a sailing rope burn he suffered some years ago.

E. Albert Rossmann of Baltimore, retiring president, was a little nervous until he turned over the gavel to his successor. A few days before he had discovered he was the 13th president of the association.

George S. Valentine, Jr., vice-president and eastern manager; A. L. Hanigan and Ralph L. Meium were hosts for Ohio Farmers.

Several agents attended and were still talking about the stag party given the week before at Salisbury for Avery Hall. About 150 of Mr. Hall's friends in and out of insurance congratulated him on his coming marriage to Mrs. Katherine D. Downing Dec. 3.

Secretary John Owen and State Agent Fred L. Langert were on hand for Corroon & Reynolds.

C. C. Slayton, the new president, a magician, was prevailed upon to demonstrate some of his black art at company headquarters. Another impromptu entertainer was Fletcher Harrison of the Poor, Bowen agency, Baltimore, with his imitation of a carnival barker.

North American served food as well as refreshments. Hosts included Bradford Smith, Jr., and H. Richard Heilman of the fire company home office; R. S. Robins of Indemnity of N. A., and Richard

Teano, J. H. Cupet, J. J. Moore, and others from Baltimore.

R. V. Brannon and Norman Robertson came on from New York and G. L. Whittaker was on hand from Baltimore to dispense hospitality for Zurich.

The Baltimore home companies—Fidelity & Deposit, U. S. F. & G., Fidelity & Guaranty, Maryland Casualty and New Amsterdam Casualty—maintained headquarters as well as acting as hosts at the annual cocktail party which preceded the banquet. Hosts at the latter were also Home and North America.

Headquarters were maintained also by the two Harfords and the St. Paul group.

Rates for Health Cover in New York Go Up

NEW YORK—The Health Insurance Plan of Greater New York has increased rates 13 to 19%, effective Jan. 1 and at that time will extend coverage to include employees with incomes of more than \$5,000 a year or whose family income is more than \$6,500. Previously those with incomes above these amounts were excluded from participation.

Increased medical and administrative costs forced the increase in rates. New rates for lower income families will be 66 cents a week for a person with no dependents, \$1.33 a week for a person with one dependent and \$1.90 a week for

one with two or more dependents. These rates compare with 56 cents, \$1.12 and \$1.68 per week, respectively. If the employee only is covered, not dependents, the rate goes from 51 to 56 cents a week.

For those earning more than \$5,000 or with a family income of more than \$6,500 the rates will be somewhat higher than for those with lower income brackets. The plan insures 227,000, including dependents, in the New York metropolitan area.

The plan Jan. 1 will institute cash indemnity cover for employees and dependents who live in New Jersey, Connecticut, or other localities outside the effective area of the plan.

Meat Industry Pattern

WASHINGTON — Briggs & Co., meat packers, has arranged with Continental Assurance for non-contributory group insurance including life, ADB, weekly indemnity for 13 weeks, hospital, medical and surgical benefits. Briggs pays premiums under an arrangement with Al Gray, business agent of Meat Cutters Union. Thomas E. Boyle, who represented the company, said this pattern is likely to be adopted widely in the meat industry.

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ACCIDENT AND HEALTH

Stumpf Reviews Coast Trip in Address at Wichita

Charles B. Stumpf, Illinois Mutual Casualty, Madison, Wis., president of International Assn. of A. & H. Underwriters, addressed the Kansas association at Wichita on the home stretch of a speaking tour to the west coast and British Columbia. Ending his trip were talks at Denver and Kansas City, following the Wichita meeting. W. J. Busch, Dulaney, Johnston & Priest, was elected treasurer of the Kansas association to succeed H. C. Hubbs, Mutual Benefit H. & A., who resigned upon leaving the city. A Christmas party was announced for Dec. 19 with Vice-president Robert Tyler in charge. A surprise was the attendance of Bert A. Hedges, Business Men's Assurance, organizer and first president of the Kansas association, attending his first meeting since major surgery last month.

Mr. Stumpf reviewed progress of the National association since the Cleveland annual meeting, reporting five new associations and a substantial membership gain. He praised the work of the national officers and committee chairmen. In his seven-week trip through the west, Mr. Stumpf said he was amazed at the tremendous interest in what the A. & H. associations are trying to accomplish. Acceptance of "free enterprise" ideas is widespread, he reported. Also he said that business is good all over the area.

In discussing "Problems of Socializa-

tion," Mr. Stumpf said it is necessary to be for something—not "just against."

H. & A. Conference Holds Regional at Des Moines

Extensive discussions on medical insurance and franchise coverage featured the regional meeting of Health & Accident Underwriters Conference at Des Moines this week, attended by representatives of 15 companies from Nebraska, Iowa, Missouri, and Minnesota. There were 50 company men on hand.

Dutton Stahl, assistant secretary-treasurer of Iowa State Traveling Men's Assn., was chairman for the morning session at which E. J. Faulkner, president of Woodmen Accident and chairman of the conference executive committee, reviewed the activities and meeting of the conference. V. J. Nutt, Jr., assistant vice-president of National Travelers, led the discussion on medical insurance.

There was considerable discussion of catastrophe coverage under the medical policy to handle heavy surgical bills. Mr. Nutt mentioned the success one company is having with a \$500 blanket policy that incorporates a deductible. The company men evinced great interest in the possibilities of a blanket policy. Some policies presently written cover doctors' office, home and hospital calls after the third call. There was some debate as to whether it is feasible to write small doctor bills or whether the catastrophe feature

of serious illness is more to the point.

A review of legislative matters was given by John P. Hanna, associate managing director of the conference, and C. O. Pauley, managing director, discussed polio and special diseases coverages. He reviewed the experience as it is known of the 30 some companies in the conference writing polio insurance.

In the afternoon the chairman was Watson Powell, president of American Republic of Des Moines. H. C. Pogue, group manager of Business Men's Assurance, in his remarks said that the companies are having success with franchise on small groups of from 5 to 25. The field is unlimited.

Publicity on the large pension plans won't lessen demand for small franchise groups, Mr. Pogue predicted. The idea of pensions or group A. & H. coverage will seep down from the large firms to the small employers. If franchise is properly underwritten, the experience on a group of 10 should be about the same as that on a group of 200, he asserted.

A discussion on schedule type policies was led by J. M. Wickman, secretary of North American Life & Casualty. The meeting was concluded with an open forum that covered proposed changes in the standard provisions law, social security legislation, and over-age risks, a subject in which the companies showed interest as a result of the rising trend in the age of the population.

The next conference regional is scheduled for Dec. 2 at Dallas and there will be another at Chicago Feb. 15. Further meetings will be conducted at Boston and Los Angeles.

Jersey A. & H. Assn. Elects Croland as President

At the annual meeting of the New Jersey Accident & Health Assn. at Newark, William Croland, vice-president of the C. J. Simons & Co. of Newark, was elected president. Other officers are A. Allan Steinitz, Steinitz & Co., Newark, vice-president; Howard A. Rhodes, manager of the A. & H. department of American Casualty at Newark, treasurer, and Herbert A. Siddons, Newark manager for Service Review, Inc., secretary.

The women's division of the association elected Mrs. Mary Kishner, Columbian Protective Assn., president; Mrs. Jessie Deadman, Union Mutual Life, vice-president and secretary; Miss Ruth Hughes, C. W. Bollinger & Co., treasurer.

L. A. Orsini of Bureau of A. & H. Underwriters, speaking on the salient features of the New York disability

benefits law, commented, "I am confident that the competence and efficiency historically displayed by private insurers will prove more than equal to the task at hand in the statutory disability field."

Sawyer Is Mass. Bonding Group A. & H. Manager

Paul R. Sawyer has been appointed manager of the group department at the home office of Massachusetts Bonding.

Mr. Sawyer started in the business with U. S. Health & Accident of Saginaw and went with Massachusetts Bonding when U. S. H. & A. was taken over by that company. Since 1926, Mr. Sawyer has been with Zurich, Continental Casualty, National Casualty, and most recently with American Mutual Liability in A. & H. capacities.

Arcadia Nat'l Mail Fraud Trial Set for Jan. 16

Refusing to throw out an indictment against Arcadia National Ins. Co. of Chicago and two individuals, Federal Judge Barnes at Chicago has ruled that they must go on trial for mail fraud Jan. 16.

The indictment charges that the company advertised broad coverage but delivered policies with highly restricted coverage.

Besides the company the defendants are Alfred Sylvanus, 54, of LaGrange, Ill., Arcadia National's president, and V. C. Johnson, 56, former assistant state's attorney, who headed an agency that sold Arcadia policies in Chicago.

Pharmaceutical Group

The Tom Kay agency of Chicago is now enrolling members of Illinois Pharmaceutical Assn. in a group plan of A. & H. and hospitalization insurance sponsored by that association and underwritten by Continental Casualty. The annual premium is \$74 for \$50 weekly indemnity with total disability due to accident and for illness, with an eight day waiting period or the first day of hospital confinement; \$25 weekly indemnity for partial disability and with ADD benefits of \$1,000 maximum. The cost is \$38 for weekly indemnities of one-half that amount. There is an additional premium of \$20.20 for hospital and surgical coverage.

Agents Pinch-Hit for Hedges

Bert A. Hedges, Business Men's Assurance manager, Wichita, who was hospitalized during November, "Grant month" of his company, was surprised by about 25 of his salesmen who took it upon themselves to keep Mr. Hedges in the field by proxy. Each wrote one "app" in the name of Manager Hedges, presenting a report to him on his release from the hospital last week. It showed more than \$1,000 in premiums paid and about \$500 in commissions which they asked that Mr. Hedges use for a vacation to gain renewed health. It also qualified him for a Thanksgiving turkey in the "Grant month" contest.

Utah Club Hears Richardson

Utah A. & H. Club at its November meeting at Salt Lake heard Persyl Richardson, Mutual Benefit H. & A. He discussed how he got started and why he continues in the insurance business. Plans are almost completed for the A. & H. class to be held early in 1950 under the sponsorship of the extension division of the University of Utah.

To Furnish University Lecturers

Indiana Assn. of A. & H. Underwriters has made arrangements with J. E. Hedges, head of the insurance department of Indiana University, for the association to furnish speakers for the disability insurance course.

Charles Ray, Hoosier Casualty, president of the Indiana association, will

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appear before the class in the near future, and Paul Williams, World, will address the university's business club.

Executive Board to Meet

The executive board of National Assn. of A. & H. Underwriters will meet at the Whittier Hotel, Detroit, Dec. 27-28 to discuss with the Detroit officers and committees the plans for next year's annual meeting, which is to be held on a lake boat out of Detroit.

To Conduct A. & H. Course

GRAND RAPIDS—West Michigan A. & H. Assn. here has completed plans to conduct an A. & H. sales course, and is to follow the pattern of that conducted by the International association. It is to be limited to a class of not more than 35.

Opens Longview Agency

American Hospital & Life has opened an agency at Longview, Tex., with Melvin Young as manager. He has been with Reserve Life.

Lou Mullins, manager of the group department at the home office of National Casualty, was the guest of honor at a luncheon given by George Neale, manager of the southern California agency, on a visit to Los Angeles. Mr. Mullins announced several new coverages the company is adding to its present group policies without additional premium.

ASSOCIATIONS

N. Y. Burglary & Glass Club Reelects Schoner President

Frank E. Schoner, Yorkshire Indemnity, was unanimously reelected president of the Burglary & Glass Insurance Club at the annual meeting in New York. The by-laws were amended to allow Mr. Schoner to succeed himself.

The club's 218 members gave a rising vote of thanks to retiring Vice-president Jacques R. Mainzer, London & Lancashire. The new vice-presidents will be Ethel J. Corbett, National Bureau of Casualty Underwriters; Edward R. Meyer, Century Indemnity; Edward Moore, Phoenix Indemnity, and Albert E. Leibner, U.S.F.&G. Thomas J. Crowe was reelected treasurer, and James T. Keleher, Aetna Casualty, assistant treasurer.

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urer. The secretary is Marjorie Keegan, American Automobile.

Arrangements were made to have the Christmas party on Dec. 15. A three-piece orchestra will furnish entertainment.

E. J. Donegan, Loyalty group, urged all insurance companies to encourage employees to join any club such as the Burglary & Glass Club where they would meet people in the same line of business. Mr. Donegan suggested that companies pay the dues to encourage membership.

Lloyd Curtis, Federal Laboratories, Pittsburgh, spoke on the different types of tear gas devices available for protecting safes.

MacLean Heads Chicago Casualty Adjusters Body

James MacLean of Home Indemnity was elected president of Casualty Adjusters Assn. of Chicago at the annual dinner meeting. The attendance was 195, which was the largest ever at any regular meeting. John T. Moran of Allstate is vice-president and Robert Luce of Casualty Mutual was elected for the 22nd time as secretary. This is his 23rd year as an officer, since he was president before starting to become indispensable as secretary.

The speaker was Charles E. Bliss of the Taylorville, Ill., law firm of Hershey & Bliss. "Nobody Has a Perfect Case" was his topic. Mr. Bliss is a witty speaker and had the group in stitches most of the time. He emphasized that it is very often little things that crop up during a trial that determine the outcome rather than the basic issues. Special guests were Insurance Director Harry Hershey who is Mr. Bliss' law partner; Frank Bartsch, chief deputy of the Illinois department and Thor Wanless of the department staff.

The Christmas party will be held Dec. 15.

Ohio Managers Assn. Meet

At a meeting of Ohio Assn. of Casualty & Surety Managers at Columbus, Oscar Ruffing, Travelers, and Morgan Dudley, U.S.F.&G., were named to fill vacancies on the executive committee.

President Warren Weeks, Century Indemnity, announced committee chairmen as follows: fidelity, Charles Maxson, American Surety; surety, Frank Middleton, National Surety; burglary, Bernard Nagel, Glens Falls Indemnity; multiple lines, John DeCosana, Royal-Liverpool, and W. P. Jones, Connecticut Indemnity; automobile, L. C. Davis, Fireman's Fund Indemnity; general liability, Fred Colborne, Home Indemnity; plate glass, John Bowen, Aetna Casualty.

J. F. Enright of the Ohio bureau of motor vehicles spoke on "Teen Age Driver Problems."

Casualty Men Elect Rourke

Robert Rourke of the George W. Rourke agency has been elected president of Casualty Insurance Assn. of Washington, succeeding William T. Shiels, Jr., Travelers. Minthorne Tompkins, Fireman's Fund Indemnity, is vice-president and Sam Melrose, Jr., American Surety, secretary-treasurer.

J. I. Bjerke, Hartford Accident, is chairman of a special committee to furnish speakers on the new financial responsibility law. H. M. Alexander, Fireman's Fund Indemnity, will address a joint luncheon meeting of the Yakima Assn. of Insurance Agents and the Yakima Chamber of Commerce Dec. 5.

Record Tow Job Completed

MINNEAPOLIS—What is believed to be the longest tow job ever carried out has just been completed for Iowa Mutual Casualty, which sent a tow truck from Minneapolis to Scottie Creek, Alaska, to bring back a dam-

aged tractor for which no parts were available west of here. The tow truck covered 6,668 miles round trip, which was made in about two weeks. Main & Baker, adjusters for the Iowa Mutual, ordered the long tow job.

Transfer to Ill. Started

A transfer of the corporate offices of Combined from Philadelphia to Chicago is taking place. In order to accomplish this, it has formed a new Illinois company known as Cica Ins. Co. Combined of Pennsylvania will be merged into Cica as soon as the latter is licensed in all states in which Combined is now

transacting business and, at the same time, the name will be changed to Combined Insurance Co. of America. Thus, there will be no change in title, financial or managerial position.

Writes 6-Month Auto Policy

A six-month term automobile B.I. and P.D. policy is now being written by the Rainier National of Seattle.

Premium for the six-month policy for fire, theft and collision is 50% of the annual premium with a minimum of \$8 for the six-month term. For B.I. and P.D. the premium is exactly 50% of the annual premium.



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Virginia Case May Be Far-Reaching

(CONTINUED FROM PAGE 19)

Virginia court found that Travelers Health had solicited new members there through its present members, had consummated contracts there, had investigated claims in Virginia and had discharged the obligations of the association there. The fact that the Virginia court found it necessary, the brief stated, to base its decision on the alleged happening of activities in Virginia is a strong indication of its indirect adherence to the principle that the transmitting of interstate mail into a state is not of itself sufficient to justify constructive service of process. Travelers Health asserts that it has conducted no activities in Virginia which would constitute the necessary "minimum contacts" with Virginia and there is no basis in the record for the finding by the Virginia court that these four activities occurred in Virginia. Travelers Health argued that the Virginia corporation commission predicated its conclusion solely upon the fact that Travelers Health conducted the activities complained of by mail from beyond the limits of the state.

Members' Work Voluntary

On the point of old members getting new members, the Travelers Health brief said this activity of the old members who had no authority to obligate Travelers Health, was wholly voluntary and was limited solely to the sub-

mission of names of prospects to the company. The voluntary act of sending a friendly letter suggesting someone's name, not necessarily a resident of Virginia, for membership in the association does not constitute a business activity, it was argued.

The Virginia court took the position that since the policies were "subject to approval of applicant" the contracts were consummated in Virginia. On this point Travelers Health stated that each certificate goes into effect when issued and the insurance coverage begins at this moment. The certificate is subject to cancellation if, within 10 days after its receipt he decides he doesn't want it, but during this period the applicant is covered and Travelers Health contends that the act of a member in exercising his right to cancel does not constitute a part of the actual consummation of the contract, and cannot be said to be an activity of Travelers Health.

Claims Investigation

Also, Travelers Health stated that it has had no one in Virginia at any time performing any activities for it who could be said to be "investigating" claims. Again it is argued that the Virginia court erred in concluding that the payment and discharge of claims by forwarding checks to Virginians constituted a Virginia activity. The brief

stated that the checks, when received by the Virginia claimant, are not accepted in absolute payment or discharge of the obligations but only on condition that they be paid when forwarded to a collecting bank at Omaha by the claimants' banks in Virginia. Such claims, it is argued, therefore, are actually discharged in Omaha.

In conclusion, Travelers Health denied the constitutional authority of Virginia by legislative enactment to require Travelers Health to submit to the regulatory authority of the state before continuing its interstate business by mail with Virginia citizens and upon its rightful refusal so to submit, to conduct an in personam judicial proceeding in the state against Travelers Health, based solely on constructive service of process by registered mail sent outside the state in which Travelers Health made no general appearance and which resulted in a permanent injunction being issued against it.

Travelers Health contended that the approval of such statutes as that of Virginia is not necessary to enable the states properly to protect their citizens, for they can be afforded reasonable protection by public notice of the corporations which are either not subject to the state's regulation or which are for any reason not being regulated by it. If further regulation and control is deemed necessary or desirable in addition to that of the state of incorporation, it should properly come from the federal government which has heretofore by the securities act of 1933 and subsequent similar legislation supplemented the securities laws of the various states to the extent of providing for a full disclosure in connection with the issue and sale of certain types of securities flowing in interstate commerce by the use of the mails or otherwise. These federal laws were admittedly enacted because the states were powerless to control this type of activity. The determination by Congress of the necessity for these laws was a recognition of the constitutional limitation which prevented the several states from exercising effective control over the issue and sale of securities by mail and interstate commerce. It is the same constitutional limitation which renders the Virginia law unconstitutional as applied to Travelers Health in this case.

P. M. Gahagen, adjuster, discussed "Some Things to Watch in Your Insurance Audit Program" in a talk before the Milwaukee chapter, Institute of Internal Auditors.

Scans Multiple Line Prospects

(CONTINUED FROM PAGE 19)

acceptance on the part of the public of deductible coverage. Through the use of proper deductibles, the premium cost for the protection really needed by the insured can be kept at a considerably low level.

In this country risk situations are not so uniform and homogeneous as say in England and this will make underwriters more cautious in developing policies providing multiple line coverage on a single rate basis. Where in the U. S. it would be very difficult to get acceptance of policies on a 100% co-insurance basis, this is common in England.

Until the annual statement blank is modernized to comport with multiple line underwriting, the insurers will have difficulty in handling the accounting reserves, etc., for contracts written on an all-risk basis.

Particularly because of the shortage of trained personnel, companies must inevitably move slowly in expanding on a multiple line basis beyond their present spheres. By and large, they may generally be expected to observe present coverages and procedures. The package policy on the schedule basis and on a combination rating basis will be emphasized in the period ahead. It would be difficult, perhaps impracticable, to develop a contract comparable to the British householders' comprehensive policy for the entire American market on a sound basis. Nevertheless, a policy form suitable for the mass market that does not purchase insurance today which would provide limited protection against specified perils on a single rate basis, is greatly to be desired. This would be beneficial insofar as it encouraged a higher proportion of the lower income families to insure against major losses. This market has not been reached heretofore, possibly because the premiums involved have been too small to warrant the proper sales effort.

British Policy

The householders' comprehensive in Great Britain, he reminded his hearers, provides insurance against 12 hazards, including fire, burglary, employer's liability, public liability, and there is a benefit for accidental death of insured in the dwelling if caused by fire or burglars. This is rated by applying a percentage to the amount of fire insurance for buildings and contents and includes the charge for all coverages regularly afforded.

The trend under package policies, where the aggregate premium is sizable, will be towards composite rating whereby the equivalent of the usual tariff premium is determined by the use of a single rate applicable to a single exposure base, subject to audit. This will reduce the cost of the insurance to such simple terms as a percentage of payroll or sales, etc. This will unquestionably have a tremendous growth. New, concise policy forms will have to be drafted to avoid cumbersome, lengthy and possibly ambiguous forms if existing contracts were merely tied together in one jacket.

Many New Approaches

Many new approaches will have to be taken and judgment will have to be utilized in the initial stages, at least in rate making.

Accounting and statistical procedures will have to be revised, particularly where single rating methods are established. The annual statement blank must be completely revamped and this will call for amendment of statutes prescribing information to be reported. The companies will have to build up their organizations. The different approaches in adjusting procedures, as between fire and casualty business, must be realized. Common commission scales for the several kinds of insur-

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There is involved the danger of commission wars. If all casualty and fire companies should embark on the appointment of a large number of general agents, the end result will be that practically every producer of any size will get general agency commissions, and this could lead to serious trouble.

The principle of interstate rating must be given universal recognition. The states must be careful not to act in any way that impedes composite rating on an interstate basis.

There will be an effect on the Casualty Actuarial Society, itself, he said, as it is logical that men performing all rate making work on behalf of institutions that are now known only as casualty companies, be members of the society.

Take to Offensive

The business was urged to take the offensive against the welfare state by W. Ellery Allyn, Connecticut commissioner, to offset the aggressive moves of government sponsors of social legislation. He urged companies to be more conscious of the public attitude toward them, citing as an example the action of one company in refusing, without warning, to write automobile liability coverage on an insured who reached 65 though he had been a good risk.

He urged the sale of high limit policies to meet higher costs not just for automobile policies but for all liability coverages. "Don't let the government move into a field by default if it can be better served by private insurance," he said. "Once you surrender a field to government it is almost impossible to win it back."

Papers Presented

Superintendent Dineen of New York spoke briefly, as did G. F. Michelbacher, president Great American Indemnity, and L. W. Scammon, actuary Massachusetts Workmen's Compensation Rating & Inspection Bureau.

Papers were presented by Sylvia Potosky, senior actuary New York State Insurance Fund, on the valuation of death benefits under the U. S. longshoremen's harbor workers compensation act; Robert J. Myers, chief actuary social security administration, on further remarriage experience; Dudley M. Pruitt, actuary General Accident, who discussed the history of uniform accounting; and Charles W. Crouse, actuary Manufacturers Casualty on non-linear retrospective rating. Harold LaCroix, Jr., Travelers, discussed a statistical plan for group A. & H., and John W. Clarke, Travelers, spoke on seasonal fluctuations in loss ratios for automobile bodily injury coverage. A \$100 prize sponsored by Mr. Fondiller for the best paper was presented to Francis S. Perryman, vice-president and actuary Eagle-Globe-Royal.

The meeting concluded with a discussion of uniform accounting and its effect on ratemaking.

Calls Two Cal. Hearings on Assigned Risk Plan Changes

Commissioner Downey has called two hearings to consider 16 proposed changes in his rules and regulations governing the operation of the California assigned risk plan. The first hearing is scheduled for San Francisco Dec. 5 and the second at Los Angeles Dec. 8.

Principal purpose of the hearings is to determine if the suggested changes are in keeping with Sec. 11620 of the insurance code of the state which sets up the plan and outlines the duties of the commissioner in administering it.

The changes were proposed by the governing committee of the plan and would make some provisions slightly more liberal in some respects and "tougher" in others as far as the eligibility of the applicant is concerned. They would also add three sections regarding applicants.

Loan Receipt Plan Is Upheld

Citizens Casualty lost a decision before the New Jersey superior court appellate division in its effort to cause Phoenix Indemnity to be held responsible for one-half of an auto B.I. loss for an insured in whom both companies were interested. The case was Parrette vs. Citizens Casualty. Anthony Parrette was in the taxi and livery business. In 1938 he had three cars that were used in the taxicab business and one in the livery business. He had insured the three taxis in Eureka Casualty and the car used for livery in Phoenix Indemnity.

Later he sold one of the taxis and substituted the car that had been used as a livery for use in his taxicab business. This substitution was endorsed on the Eureka policy, but the Phoenix Indemnity policy was not canceled. Later, Eureka got off the risk and Citizens Casualty took over the three taxis. In copying the serial and motor numbers from the Eureka policy, the endorsement substituting one car for the other was overlooked and the policy as written covered the three original taxis.

Accident Occurs in 1938

On June 7, 1938, Alador Brokes suffered injuries caused by the substituted car while it was being used as a taxi. Brokes instituted suit but Citizens refused to assume liability or to defend the action. Phoenix Indemnity likewise denied coverage and refused to defend but an arrangement was worked out whereunder an attorney for Phoenix Indemnity defended Parrette in the Brokes action and also represented him in a policy reformation suit against Citizens.

Brokes got a judgment of more than \$5,000 against Parrette and this was paid by means of a loan that Parrette secured from Phoenix Indemnity and for which he executed a loan agreement, pledging to Phoenix whatever recovery he might get from Citizens Casualty.

Citizens, in the reformation action, argued that the loan receipt arrangement was invalid and that Phoenix Indemnity actually paid the money pursuant to its absolute obligation under its policy. It was charged that the loan receipt arrangement was a subterfuge, served no legitimate interest and was an attempt to circumvent the statutes.

Loan Receipt Valid

On this the court stated that the liability of Phoenix Indemnity, if any, under its policy was a fixed liability for one-half the \$5,000 coverage and a contingent liability for the balance of the \$5,000 under the "other insurance" provisions of its policy, the contingency being whether or not Citizens was also liable under the Citizens policy. Therefore, the loan receipt arrangement was clearly valid to the extent of the one-half of the amount involved, which represented the contingent liability, if any, of Phoenix. Since the arrangement was valid at least as to one-half the amount involved, Citizens' motion, which depended on the total invalidity of the arrangement, was properly denied. It was not necessary to decide whether the arrangement was valid as to the other half involved, or whether Phoenix was or was not liable on its policy because these questions would arise only if Citizens' motion was also addressed to partial invalidity of the arrangement, or if Citizens pressed its second defense that its liability, if any, was limited to one-half the coverage. In its endeavor to escape liability entirely, Citizens waived that second defense under which if Phoenix was liable, Citizens would be liable for only one-half the amount involved. "Citizens made its bed and must lie in it," the court stated.

Citizens also objected to the lower court overruling Citizens' offer of the annual financial statement of Phoenix Indemnity. In answer to the court's question as to what in the statement was considered relevant, Citizens said there is provision in there as to loans, their assets, liabilities, secured loans, which

they have to enumerate—all their investments and all their transactions. As far as loans are concerned, it is negative. The court ruled that the statement was meaningless without some explanation and the higher court agreed in this.

Maddox Mo. W.C. Actuary

Robert Maddox, a graduate of University of Missouri, has been appointed actuary in the workmen's compensation division of the Missouri department to succeed D. S. McDermott. He joined the department last June. Mr. Maddox for the past month or so has been at the National Council on Compensation

Insurance in New York studying the proposed new schedule of rates for workmen's compensation insurance in Missouri.

Sees TDB as Challenge

Edmund B. Whittaker, vice-president of Prudential, characterized the New York state temporary disability benefits law as a challenge for the private insurance business in a talk before the New York City A. & H. Assn.

Leonard A. Schlan has become office manager of P. V. Bowen & Co., Buffalo local agency.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Cleveland Fire Defenses Improved

Fire Chief Elmer Cain, in addressing a meeting of Cleveland Insurance Board, told of the fire department's new "visitation" plan under which engine companies will visit buildings and private homes in their districts to acquaint themselves with specific conditions. Two-way radio sets are being installed in every fire vehicle so that when the men are away from the station engaged in this visitation they can be summoned to a fire with no delay.

Mr. Cain said Cleveland will soon advance to a third class city, from fourth, in National Board ratings. The latter required that a suitable fire code be prepared and this already is contained in the new city building code. Also a new water main had to be installed downtown on East 18th street from Payne avenue to Caton court. A contract has now been let for a 16 inch main. Hence he concluded that Cleveland is sure to advance to third rating.

Additionally four new fire houses will be built within the next year and 10 pumpers and four hook-and-ladders will be purchased. About 25,000 feet of new hose line is to be purchased within 45 days.

There will be a mass inspection utilizing all available city fire wardens commencing Nov. 21 in the area bounded by East 30th street, Cuyahoga river, Woodland Ave. S.E. and Lake Erie. This will be done to reduce Christmas fire hazards to a minimum.

Turn Down Insurance Plan on Minneapolis Fire Chief

MINNEAPOLIS—In an effort to get the ablest man available as fire chief here to succeed George S. Lockhart, who has retired after serving 42 years in the department, a group of insurance men headed by John E. Jackson, state manager of Home, suggested that the city council ask National Board to name three outstanding fire chiefs of the middle west to come to Minneapolis and examine the qualifications of applicants. Their judgment would guide the council in selecting a chief.

While some members of the council were agreeable to this, the majority apparently favored settling the issue by vote of the council and that is likely what will be done, possibly this week, with four or five candidates for the job. Because of several costly fires in Minneapolis in the past two years, insurance people have been critical of the fire department and last spring they conducted an inspection which revealed between 5,000 and 6,000 serious hazards.

Hobbs Heads Kan. 1752 Club; Plans Five Agent Clinics

At its annual meeting at Wichita, Kansas 1752 Club elected John F. Hobbs, Midland Mutual, Newton, president; John R. Rhodes, Mill Owners Mutual, Wichita, vice president, and Charles A. Hartman, Employers Mutual Casualty, Topeka, secretary. William Busch, claim attorney and director of the A. & H. department, and Ray Plyley, director of the casualty division of the Kansas department, were guests.

Featured on the educational program were Clyde Latchem, state fire marshal, who discussed means of combatting juvenile arson; A. D. Jones, vice-president of United Adjustment & Inspection, Dallas, "Reporting Forms"; Lester Crow, Employers Mutual Casualty, Kansas City, "New Simplified Garage

Liability Policy"; and Harry Hudelson, Des Moines, superintendent of agents of Mill Owners Mutual, who reviewed 1752 Club activities throughout the nation. He endorsed the proposal of holding mutual agent clinics and gave suggestions for them. Mr. Jones was assisted by George Clark, Wichita manager of United Adjustment, in a skit showing how the reporting form should be explained and "sold" to the bookkeeper after the boss had bought the contract.

The Kansas 1752 Club, which now has a membership of 75, plans to increase its membership to 100 and hold a series of five agents clinics next February and March.

Auto-Owners to Fete Ill. Agents at Peoria Dec. 8

Auto-Owners of Lansing will be host to their Illinois agents at Peoria Dec. 8, in connection with the opening there of a full-fledged branch office. There will be open house at the branch followed by a business get-together, then a social hour, followed by a dinner.

At the business session with Branch Manager K. B. Love presiding, speakers will be A. Lynn Minzey, on sales assistance to Auto-Owners' agents, D. O. Thomas on advertising assistance to agents, and E. L. Brandt on Auto-Owners' broad form policies.

Mr. Love will also be toastmaster at the dinner and the speakers then will be President V. V. Moulton and Secretary W. C. Searl. Other important factors at the Peoria branch are Howard Lewis, underwriting manager; Al Means, claims manager and Max Tanner and Norman Schaeffer, special agents.

EAST

W. Va. Commissioner Gives Two Talks at Bluefield

BLUEFIELD, W. VA.—Commissioner Crichton spoke at a luncheon of the Rotary Club here on "The Need for Effective Insurance Regulation by State Government." He also spoke in the evening to local insurance people, following a dinner in his honor. Agents in Mercer and McDowell counties were invited.

Mr. Crichton discussed his proposed plan for the examination and licensing of agents and the problems confronting insurance today.

Ralph Taylor, executive committee-man of West Virginia Assn. of Insurance Agents was chairman of the committee that arranged the gathering. President Rhodes of West Virginia Life Underwriters Assn. presided.

Mr. Crichton announced that, beginning April 1, prospective agents will be required to pass tests given by his department.

Vt. Regionals Scheduled

Vermont Assn. of Insurance Agents is holding a regional meeting at Rutland the evening of Nov. 30, the speaker being George R. Smith, Vermont manager of General Adjustment Bureau. There will be a regional at Bellows Falls in January, another at Barre in February, St. Johnsbury in March and in the St. Albans-Burlington area in April.

Hartford Women Elect

At its November meeting, the Hartford Assn. of Insurance Women elected Roberta White, Hartford, president; Madeline Lewis, East Hampton, vice-

president; Rose Bauer, Bloomfield, secretary to W. H. Wiley, executive secretary of the Connecticut Assn. of Insurance Agents, recording secretary; Ann Lindquist, Cromwell, corresponding secretary; and Eileen Ryan, Hartford, treasurer. About 65 attended and Belden Morgan, promotion director of the Hartford "Courant" spoke.

Phila. C.P.C.U. Dinner

Earl G. Harrison of the law firm of Schnader, Harrison, Segal & Lewis, former dean of University of Pennsylvania law school, will address the conferment dinner Nov. 29 for C.P.C.U. designees for the Philadelphia area. The dinner is sponsored by Middle Atlantic C.P.C.U. chapter.

Brand Named President

John Brand was elected president of the Chemung County (N. Y.) Insurance Agents Assn. succeeding Charles W. Perry.

Other officers are: Vice-president, J. Joseph MacNamara; secretary, Robert Henbest; treasurer, Lewis Sindlinger. The meeting featured a talk on "Insurance in England" by Mr. Perry, who visited there last summer.

SOUTH

Many Southeastern Field Changes for G. A. B.

General Adjustment Bureau has made extensive field changes in its southeastern department.

Winifred E. Causey, senior adjuster at Macon, Ga., has been appointed manager at Columbus, Miss., succeeding F. H. Poston, who has been transferred to Charlotte, N. C. Mr. Causey joined G. A. B. in 1941 and has served at four southern offices.

William R. Sims, Jr., senior adjuster at Montgomery, Ala., has been promoted to manager at Florence, Ala. He joined G. A. B. in 1940 and has been at Birmingham and Florence. He replaces Paul Patton, who has been transferred to the executive division in Atlanta to assist in the educational program.

Gordon W. Rumbley, Jr., has been named adjuster in charge at Lenoir, N. C., succeeding Charles P. Franklin, who has entered the local agency business. Mr. Rumbley has been senior adjuster at Goldsboro, N. C.

John E. Lufkin, Jr., has been appointed manager at Florence, S. C., succeeding Hazel D. McCaskill, who has asked to be relieved of managerial duties due to ill health. Mr. McCaskill becomes senior member of the Florence staff. Mr. Lufkin started with G. A. B. in 1937.

Oliver J. Hood has been transferred from Florence, Ala., to Brunswick, Ga., as resident adjuster.

Harry E. Howard has been advanced from adjuster in charge to manager at Goldsboro, N. C., and Newell W. Sapp has been promoted to manager at Spartanburg, S. C. He has been adjuster in charge.

Cheek Urges P. R. Program

WINSTON-SALEM, N. C.—A public relations program by the insurance business to ward off further encroachment by government and cooperatives was advocated by Commissioner Cheek, in an address at a meeting here sponsored by the local life underwriters association and association of insurance agents.

Stating that there are "many moves to discredit the agency system," he said a public relations program such as he suggests would help "justify the neces-

sity or value of the services of an agent."

Mr. Cheek said such a program is needed because the state of North Carolina for the first time has set up a fund to insure school buildings and that his department daily receives applications from groups in all parts of the state which seek permission to establish cooperative insurance plans.

COAST

Three New Directors of California Assn. Named

Three new directors of California Assn. of Insurance Agents have been named by H. E. Barnhart, newly elected president. They are Phil Ellithorpe, Fresno; W. R. Van Rusen, Sherman Oaks, and W. G. Wilson, Long Beach. Lorrin Carroll, Chico, who was elected vice-president, W. R. Van Dusen, Sherman Oaks, and Robert E. Battles, Los Angeles, elected secretary-treasurer, continue on the board. Others reappointed are Ivor J. Davies, San Rafael; George W. Dohrmann, Stockton; R. E. Dawson, Pasadena; Paul Higgins, Oakland; L. E. Johnson, Salinas; C. N. McKinnon, San Bernardino; Rae D. Redfern, Bakersfield; Harold M. Steele, San Diego, and A. G. Zeppigno, Santa Ana.

First meeting of the new board will be at Fresno, Dec. 10-11.

Conduct N.A.I.A. Course

Surety Underwriters Assn. of Seattle is conducting a course in cooperation with the King County Insurance Assn. embracing the study outline of the National Assn. of Insurance Agents.

John Hodson, American Surety, who is president of the Surety association, lectured on fidelity bonds at the first class. Gerald L. Perry, Hartford Accident, spoke on "Financial Institutions Blanket Bonds, Forgery and the History of Suretyship." Mr. Perry will also handle the review and examination Dec. 12.

At future classes Guertin Carroll, American Bonding, will speak on "Public Official Bonds and Judicial Bonds" Nov. 28 and on Dec. 5 will discuss contract and miscellaneous bonds.

Oregon Chairmen Named

Appointment of committees has been completed by President Harold S. Hays of Oregon Assn. of Insurance Agents. Chairmen are: Accident, fire prevention and driver training, Phil Gould, Bend; membership, Robert Downey, Portland; education and public relations, J. Don Smith, Eugene; legislative, H. B. Larson, Portland, and 1950 convention, H. B. Larson, Portland.

New S. F. City Special

Lawrence A. Tudor-Goodwin has been appointed city special agent at San Francisco for Great American. He will assist Ralph H. Dreyer, superintendent of the city department.

Women Meet at Long Beach

LONG BEACH, CAL. — The sub-regional convention of region 8 of National Assn. of Insurance Women was held here. Miss Frances B. Gray, president of Insurance Women of Los Angeles, and a member of the public relations committee of the National association, presided. Mrs. Louise Campbell, president of the Long Beach association, presided at the luncheon.

One of the principal topics discussed was the adoption by the National association of a plan for a speakers bureau.

Mrs. Vivina Warriner, public relations chairman, Long Beach, was hostess at a cocktail party.

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Famous American Homes

BOXWOOD HALL *The Boudinot Mansion*



IN AN "elegant barge" rowed by twelve white-garbed sea captains, George Washington was ceremoniously conveyed from New Jersey to New York City for his inauguration as first President. The chairman of the Congressional Committee accompanying him was Elias Boudinot who, before embarking, had entertained Washington and other distinguished guests at luncheon at his home in Elizabethtown, New Jersey.

The first owner of the house where Washington was entertained—and quite possibly its builder—was Samuel Woodruff, wealthy merchant and trustee of Princeton College, who lived there in the years previous to his death in 1768.

In 1772 Boxwood Hall, as the house was thereafter known, was bought by Elias Boudinot, the fourth of his name in this country. As a lawyer, statesman, patriot, scholar and philanthropist, Boudinot was one of the most remarkable men of the Revolutionary period. As Commissary-General of Prisoners, he labored to secure humane treatment for British captives and devoted much time and effort to relieving the sufferings of American prisoners of war. When Congressional funds were lacking Boudinot advanced nearly \$30,000 of his own money, though he realized that the possibility of repayment was dubious.

During the Revolution the British Commissioner, Lord Robertson, was so ill-advised as to approach Boudinot with the hint that the choice of a dukedom or 10,000 pounds a year was available to the man who would undertake to settle "the unhappy dispute." Later, trying force instead of bribery, the British ransacked Boudinot's home in search of the "great rebel," but



"His life was an exhibition of fervent piety, of useful talent, and of extensive benevolence."

as a result of which a young Cherokee asked and was granted permission to adopt his name. In his will were many generous bequests including \$200 to buy spectacles for the poor.

Boudinot left Boxwood Hall after his appointment as Superintendent of the U. S. Mint at Philadelphia. The next owner was Jonathan Dayton, youngest signer of the Constitution, for whom the City of Dayton, Ohio was named.

After serving as a school for young ladies, a boarding house and a home for



Period furnishings are being acquired to replace those shown originally on exhibit.



The metalware by this ornate fireplace is kept gleaming.

fortunately he was attending the Continental Congress in which he served three successive terms. In 1782 he was chosen

President of the United States in Congress Assembled, the highest civil office of the pre-Constitution government, in which capacity he signed the treaty of peace with Great Britain.

Among Boudinot's many philanthropic activities was the education of the Indians,

aged women, the house was acquired by the State of New Jersey. It is now maintained by the State Bureau of Historic Sites, still bearing the name of its most illustrious owner.

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